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Successful

Economic and Management Sciences

GRADE 8

WITH EXAM INFO AND EXEMPLAR PAPERS

TEACHER'S GUIDE

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Contents

SECTION A Introduction 5

How this course works 5
An overview of the EMS Curriculum and Assessment Policy Statement 6

SECTION B Planning and assessment 8

Overview of EMS topics 8
Teaching plan for EMS Grade 8 9
Assessment in the Senior Phase 13
Formal Programme of Assessment for EMS Grade 8 15
Types of formal assessment for EMS 16

SECTION C Teaching and learning EMS 19

Teaching EMS in the Senior Phase 19
Inclusive teaching 19
Metacognitive strategies in teaching 21

SECTION D Term plans for teaching EMS 23

TERM 1 The economy and financial literacy 23

Unit 1 Government 24
Unit 2 National Budget 26
Unit 3 Standard of living 31
Unit 4 Accounting concepts 35
Unit 5 Source documents 44

TERM 2 Financial literacy, entrepreneurship and the economy 50

Unit 1 Overview of the accounting cycle 51
Unit 2 Cash receipts journal (services) 55
Unit 3 Factors of production 60
Unit 4 Markets 64

Review Copy

TERM 3 Financial literacy and entrepreneurship 71
Unit 1 Cash receipts journal (service) 72
Unit 2 Cash payments journal (service) 77
Unit 3 Forms of ownership 91

TERM 4 Entrepreneurship and financial literacy 96
Unit 1 Levels and functions of management 97
Unit 2 General Ledger and trial balance (service) 93

SECTION E Resources for teaching EMS 122

Revision memorandums 122
Test memorandums 136
Examination memorandums 140
Additional tests 148
Additional examinations 157

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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 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.

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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 A: Introduction

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

Section B: 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 C: Teaching and learning EMS
- Teaching EMS in the Senior Phase
- Inclusive teaching
- Metacognitive strategies in teaching

Section D: Term plans for teaching EMS

Section E: Resources for teaching EMS

An overview of the EMS Curriculum and Assessment Policy Statement

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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 dispute 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:

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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 D of this guide) we suggest additional resources that teachers will find useful in the classroom to teach the subject.

Overview of Topics

There are 28 topics in the EMS curriculum. There 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	**Term 2** Markets	**Term 2** Price theory
	Term 3 Inequality and poverty	**Term 3**	**Term 3** Trade unions
	Term 4 The production process	**Term 4**	**Term 4**
Financial literacy (weighting of 40%)	**Term 1**	**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	**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 1**	**Term 1**
	Term 2	**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	**Term 4** Levels and functions of management	**Term 4** Business Plan

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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.

Term and Pacing	Topics	Learner's Book and Teacher's Guide	Activities and assessment
Term 1	The economy and financial literacy		
Week 1 (2 hours)	**Revision of Grade 7**	Learner's Book: pages 8–11	
Weeks 2–3 (4 hours)	**Government** Meaning of government Different levels of government Roles of different levels of government in respect of households in the use of resources and services (both as consumer and producer) Roles of different levels of government in respect of businesses in the use of resources and services (both as consumer and producer)	**Unit 1** Learner's Book: pages 12–19 Teacher's Guide Page 24	Activities 1–2
Weeks 4–5 (4 hours)	**National Budget** 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** Learner's Book: pages 20–27 Teacher's Guide Page 26	Activities 1–3 **Formal assessment:** Data response
Week 6 (2 hours)	**Standard of living** 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** Learner's Book: pages 28–32 Teacher's Guide Page 31	Activities 1–3

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Term and Pacing	Topics	Learner's Book and Teacher's Guide	Activities and assessment
Week 7–8 (4 hours)	**Accounting concepts** 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** Learner's Book: pages 33–44 Teacher's Guide Page 35	Activities 1–11
Weeks 9–10 4 hours	**Source documents** Receipts; deposit slips; cash register slips; cheques, cheque counterfoils; bank statements; cash invoices	**Unit 5** Learner's Book pages 45–53 Teacher's Guide page 44	Activities 1–4 **Formal assessment:** Controlled test, page 55
Term 2	Financial literacy, entrepreneurship and the economy		
Week 1 (2 hours)	**Revision of term 1**	Learner's Book: pages 58–61 Teacher's Guide Page 111	Revision questions
Weeks 2–3 (4 hours)	**Overview of the accounting cycle** Transactions Source documents Subsidiary journals General Ledger Trial balance Income statement Balance sheet Introduction of the Cash Journal of a service business	**Unit 1** Learner's Book: pages 62–67 Teacher's Guide Page 51	Activities 1–4

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Term and Pacing	Topics	Learner's Book and Teacher's Guide	Activities and assessment
Weeks 4–8 (5 hours)	**Cash Receipts Journal (services)** Concept of a cash receipts journal (CRJ) of a service business Formats and uses of the columns in the CRJ Sourced documents used to complete the CRJ Entering of cash transactions in the CRJ Closing off the CRJ Effect of cash transactions on the accounting equation	Unit 2 Learner's Book: pages 68–76 Teacher's Guide Page 55	Activities 1–4 **Formal assessment:** Case study, page 12
Weeks 4–6 (3 hours)	**Factors of production** Capital – borrowed and own Labour – unskilled, semi-skilled, skilled Role of workers in the business Fair employment practices Natural resources Entrepreneurship Remuneration of factors of production	**Unit 3** Learner's Book: pages 77–86 Teacher's Guide Page 60	Activities 1–5 **Formal assessment:** Project page 8
Weeks 7–8 (2 hours)	**Markets** Types of markets – goods and services market Factor market (labour and financial markets)	**Unit 4** Learner's Book: pages 87–93 Teacher's Guide Page 64	Activities 1–2
Weeks 9–10 (1 hour)	**Term 2** Mid-year examination	Learner's Book: page 93 Teacher's Guide Page 111	**Formal assessment:** mid-year examination page 95
Term 3			
Week 1 (2 hours)	Revision	Learner's Book: pages 99–102 Teacher's Guide Page 111	Revision questions
Term 3	Financial literacy and entrepreneurship		
Weeks 2–3 (4 hours	**Cash receipts journal (service)** Entering of cash transactions in the Cash Receipts Journal (CRJ) Closing off of the CRJ Effect of cash transactions on the accounting equation	**Unit 1** Learner's Book: pages 103–108 Teacher's Guide Pages 72	Activities 1–4

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Term and Pacing	Topics	Learner's Book and Teacher's Guide	Activities and assessment
Weeks 4–10 (7 hours)	**Cash payments journal (service)** Concept of a cash payment 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 of the CPJ Effect of cash transactions on the accounting equation Entering combined transactions in the CRJ and CPJ Closing off of CRJ and CPJ Effect of cash transactions on the accounting equation	**Unit 2** Learner's Book: pages 109–120 Teacher's Guide Page 77	Activities 1–9
Weeks 4–10 (7 hours)	**Forms of ownership** 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 Learner's Book: pages 121–129 Teacher's Guide Page 91	Activities 1–3 **Formal assessment:** Case study, page 128
	Term 3 Controlled test	Learner's Book: pages 130 Teacher's Guide Page 111	**Formal assessment:** Controlled test, page 131
Term 4	Entrepreneurship and financial literacy		
Week 1 (2 hours)	**Term 3 Revision**	Learner's Book: pages 133–136 Teacher's Guide Page 111	Revision questions
Term 4			
Week 2–6 (5 hours)	**Levels and functions of management** Different levels of management Management tasks Different styles of management	**Unit 1** Learner's Book: pages 137–143 Teacher's Guide Page 97	Activities 1–2

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Term and Pacing	Topics	Learner's Book and Teacher's Guide	Activities and assessment
Weeks 2–9 (8 hours)	**General Ledger and trial balance** The double entry principle The 'T' accounts Format of the General Ledger Sections within 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 a trial balance of a service business	**Unit 2** Learner's Book: pages 144–160 Teacher's Guide Page 93	Activities 1–8
Weeks 7–9 (3 hours)	**Examination preparations** Revision of the year's work Study techniques Examination writing skills	Learner's Book: pages 163–168	
Week 10 (2 hours)	**End-of-year examination**	Learner's Book: pages 169–171 Teacher's Guide Page 111	**Formal assessment**

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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
Baseline assessment	• Establishes whether learners meet basic skills and knowledge level required • Helps teacher 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.
Diagnostic assessment	• 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.
Formative assessment	• 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.
Summative evaluation	• 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.

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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:

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Programme of Assessment							
	Term 1		Term 2		Term 3		Term 4
Task (Form of assessment)	Task 1 Data response (Week 5)	Task 2 Controlled test (Week 10)	Task 1 Project (Week 6)	Task 2 Mid-year examination (Week 9)	Task 1 Case study (Week 6)	Task 2 Controlled test (Week 6)	Final examination (Week 10)
Activity in Learner's Book	Data response, page 27	Exemplar controlled test, page 55	Project page 85	Exemplar mid-year examination, page 95	Case study, page 128	Exemplar controlled test, page 131	Exemplar end-of-year examination, page 169
Assessment tool	Memorandum	Memorandum	Rubric	Memorandum	Memorandum	Memorandum	Memorandum
Total marks	30 marks	50 marks (60 minutes)	50 marks	75 marks (60 minutes)	30 marks	100 marks (90 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 forms 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.

Types of formal assessment for EMS

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 1 test out of 50 marks. The Term 3 test is out of 100 marks and an hour long. Learners write an hour-long mid-year examination 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.

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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. For example Section B of the final examination must only have two or three questions on The Economy. A variety of question types for these sections are 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 below).

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 Preparations' section of the Learner's Book as well as in Section E 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 of 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 that 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.

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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.

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Recording and reporting assessment

Recording

Recording documents 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 below.

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	20–29

Teaching EMS in the Senior Phase

Grade 8 is usually the final year in primary school, though it is the beginning of the Senior Phase. The Grade 8 learners are the 'senior' learners in the school and as such they feel quite important. Learners must be challenged to think abstractly and critically, and not to merely 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 exam 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 E 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.

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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.

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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, cooperative 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, cooperative group work, brainstorming, problem-solving, debates, presentations and so on.

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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 facing 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 is 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 what you will be doing to the learners. 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 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 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.

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Term 1 The economy and financial literacy

Core concepts covered

Term overview

Learners discover the meaning of government and the different levels of government. They also discover how government gets it revenue, what it spends its money on and how the National Budget can affect growth of the economy as well as redress inequalities. Learners discover a number of accounting concepts and take a closer look at source documents.

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Content

Unit No.	Content	Pacing (Time allocation)	LB page	TG page
1	The economy: Government	4 hours	12	24
2	The economy: National Budget	4 hours	20	26
3	The economy: Standard of living	2 hours	28	31
4	Financial literacy: Accounting concpets	4 hours	33	35
5	Financial literacy: Source documents	4 hours	45	44

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	Investigate the National Budget	27	29	Memorandum	30
Controlled test	Term 1 Exemplar controlled test	55	136	Memorandum	136

Resources

Grade 8 Learner's Book, copies of local and Sunday newspapers, magazines

Unit 1 Government

Learner's Book pages 12–19

Unit overview

This unit focuses on the government of South Africa and how it affects consumers, producers and businesses.

It explores, in details, the following:

- meaning of government and political parties
- the responsibility of government
- levels of government (national, provincial, local)
- roles of the different levels of government in respect of households in the use of resources and services
- role of government as consumer and producer in respect of households
- role of government in respect of business
- role of government as producer and consumer in respect of business.

Additional resources

List of current political parties
Materials for making posters

Review Copy

Teaching guidelines

- Make sure you are familiar with the content of this unit.
- Where possible, help learners to relate to the content by making it relevant to them.

Activity 1 Design a poster

Learner's Book page 17

Guidelines to implement this activity

- Learners must work in groups of four. The group must decide who will do each of the following tasks:
  - collect information on tiers of government
  - write on the poster
  - prepare the presentation
  - do the presentation.
- The groups must include who did each of the above tasks in their written presentation.
- They must be given the criteria for assessing this activity so that they know exactly what is required of them.
- Learners need to design a poster that clearly shows the three tiers of government.
- They must then select four cabinet departments and show the responsibility of each department, using photographs, pictures, words, etc.
- Once they have completed their posters, each group needs to present their poster to the class, explaining how the government operates in South Africa.
- The presentation must also be submitted in written format.

Suggested answers

1. The poster should be A3 and done on cardboard.
2. The presentation must refer to the poster.
3. The presentation must be in written format and must include the responsibility and work done be each member of the group.

Assessment guidelines

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

Criteria	Not achieved	Achieved	Good	Excellent	Maximum marks
Three tiers of government	Little indication of three tiers of government	Three tiers of government included but not all correct	Correct three tiers of government included with some description	Three tiers correct and well described	
	0–2	3–4	5–7	8–10	10
Four cabinet departments	Little or no indication of cabinet departments	Only three cabinet departments indicated	Four cabinet departments indicated and well described	Four or more indicated with excellent description including their purpose	
	0–2	3–4	5–7	8–10	10
Neatness	Very untidy showing lack of effort and interest	Shows effort but some areas untidy	Tidy project showing good effort by team	The project is neat, well done, colourful and interesting	
	0–2	3–4	5–6	7–8	8
Creativity	Little creativity, drawings, colour or interest	Some areas show interest and creativity	Creative project with good use of pictures, diagrams or photos	Interesting project with excellent, appropriate use of colour, diagrams, photos or drawings	
	0–1	2–3	3–4	5–6	6
Written presentation	No written presentation included	Incomplete written presentation	Written presentation including team responsibilities	Well written, complete and interesting presentation	
	0–1	2–3	3–4	5–6	6
Verbal presentation	Verbal presentation showed little effort and lack of team work	Good verbal presentation but did not reflect poster	Verbal presentation good showing teamwork and related well to poster	Used poster and teamwork to present an excellent verbal presentation	
	0–2	3–4	5–7	8–10	10
Group co-operation	No co-operation between members	Some co-operation with difficulty to resolve conflict	Good co-operation, resolving conflict with assistance	Excellent group work with all members free to voice opinion and all taking responsibility for their role	
	0–2	3–4	5–7	8–10	10

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Total: 60 marks

Activity 2 Explain the role of government

Learner's Book page 18

Guidelines to implement this activity:

- This is an individual activity
- Learners may have difficulty identifying the various levels of government as a producer and consumer in respect of households. Use class discussion to ensure that they have grasped this concept clearly before they attempt this activity.
- This activity is important in order to ensure the learners have mastered this concept before moving on to the role of government as a producer and consumer in respect of businesses.

Suggested answers

1 National government;✓ Provincial Government;✓ Local Government✓ (3)

2 Use discretion – give marks for answers written in full sentences and that list any of the services the government provides to people: Sample answer: The government is a producer as it producers and provides education, health services and sports facilities for households to use.✓✓ Government also produces electricity for citizens and households.✓✓ (4)

3 The government is a consumer as it purchases labour from the households.✓✓ It also purchases goods and pays for services provided by households or members of households.✓✓ (4)

4 Government is a group of people who govern the citizens of a country.✓✓ The citizens in a democratic country such as South Africa decide who will govern them.✓✓ (4)

Total: 15 marks

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Assessment guidelines

This activity is intended for informal assessment.

Unit 2 National Budget

Learner's Book pages 20–27

Unit overview

This unit examines a number of economic concepts related to the National Budget. The National Budget of a country is based on revenue (income) received by the government and how it plans to spend that revenue to meet the needs of the country and its people during a particular year. Learners will look at the government's sources of income from various taxes and levies, as well as the demands for national services that it is required to meet. In addition, learners will consider how the National Budget can influence economic growth and redress economic inequalities.

Resources

2012 Budget Speech taken from the Government's official website: www.gov.za.
National and local newspapers dealing with the National Budget.

Teaching guidelines

- Collect several local and national newspapers for the class to refer to while you are working through this unit.
- Draw learners' attention to details of where government proposes to spend its money in the current year. This will help learners to relate the text to their own lives and local circumstances.

Activity 1 Explore government revenue

Learner's Book page 23

1 The purpose of the national government is to identify all the income that will be received✓✓ and how it will be spent or allocated.✓✓ The purpose is to ensure that all the income received is spent in the most efficient and effective manner to provide for the needs of the country.✓✓ Max 4

2 Income tax, tax on business profits, VAT, excise duties, property tax, custom duties, fuel levy (any 5 × 1 mark)

3 direct tax is money paid to the government from profits.✓✓ e.g. profits, salary and wages, property tax, or taxes on assets.✓✓ Direct tax is based on the ability of the person or business to pay tax.✓✓ (Max 4)
Indirect tax is charged on consumption or expenditure.✓✓ The payment of indirect tax can be shifted to the consumer.✓✓ It is paid by the person or business purchasing the goods.✓✓ e.g. VAT, fuel levy.✓✓ (Max 4) (8)

4.1 The national budget will allocate some of the revenue or income to provide this payment.✓✓ (2)

4.2 Use discretion with learners answers. They must give their opinion and support it with valid, logical reasons. Sample answer:
No I do not think it is a good idea.✓✓ The youth will not be encouraged to find work or to do well in school to get into tertiary training programs.✓✓
It will be too easy for the youth to take the payment and not do anything about getting employment.✓✓ (Max 4)

Total: 25 marks

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Activity 2 Debate the principle of taxing the wealthy more heavily

Learner's Book page 24

Guidelines to implement this activity

- This is a group activity and then becomes a class activity.
- You could choose two debating teams of 8 or 10 learners each, or call for volunteers. Each debating team must choose a speaker to present their case.
- The rest of the class forms the audience.
- Learners debate the following question:
  Is it fair that the wealthy are taxed heavily to subsidise the poor? Should it not be the government's responsibility?
- The audience group must list the pros and cons that are raised by the opposing teams. When all points have been raised, the audience can ask debating teams questions for clarification of any points that seem unclear.

- The audience then votes to establish the majority opinion of the class.
- Encourage all learners to participate in the debates; the more valid their arguments, the more the learners can gain from an exercise like this.

Suggested answers

Debates are about expressing opinions for and against a topic and develop logical thinking. Be alert to the possibility that learners may go round in circles following the argument that the wealthy support the government anyway because government gets its revenue from the people who can afford to buy imported goods, spend the most and pay income tax through their businesses and as individuals.
The debate is about whether it is **fair** that the wealthy should be expected to carry the burden of the poor. Focusing on this issue, teams could debate about:

- how much incentive the wealthy have to continue working hard, risking capital investments, etc. in order to provide for others
- whether the wealthy might not invest the extra money they pay into new or bigger businesses that could create more jobs so that more poor people could support themselves
- whether it is possible for a relatively small proportion of the population to support the majority
- the logic of paying child support for unlimited numbers of babies born in poor circumstances – should a limit of perhaps two children be set?
- where government could find alternative sources of income to provide for the poor.

Assessment guidelines

- This activity is intended for informal assessment.
- Use the comments supplied above to give learners guidance and feedback on their performance in the debate.

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PoA Data response Interrogate the National Budget

1 Read the commentary on the 2012 National Budget and answer the following questions.
National Budget proposals announced by Minister Gordhan reflect a policy of investment in infrastructure and upliftment of the population through education, health and social assistance. However, reduced revenue collections due to the slower economic environment, not only here but in most of South Africa's main trading partners, mean that the Minister has to look elsewhere for the necessary additional income. The most visible increases are in taxes on capital gains and on non-resident shareholders' dividends. So, as was the case last year, taxpayers will provide the funds for Government's key objectives.

Adapted from: http://www.nortonrose.com/knowledge/publications/63350/south-african-national-budget-2012

2 Outline the purpose of a National Budget. (5)
3 Identify the focus of the 2012 National budget. (5)
4 Mention two sources of government revenue, other than income taxes. (2)
5 Explain your understanding of 'reduced revenue collections due to the slower economic environment'. (4)

6 Suggest one reason why a slower economic environment in most of South Africa's main trading partners would affect this country's revenue. (4)

7 Identify the sector of society that will be affected the most by increased taxes and explain your views on why this is the case. Do you think this is reasonable and fair? (10)

[30 marks]

Guidelines to implement this activity

- This is an individual activity.
- Learners must answer the questions in their exercise books.
- Show learners an example of the kind of table they are required to create in question 5.

Suggested answers

1 A national budget is the government's✓ financial plan✓ for revenue (income)✓ to meet the economic and social needs✓ of the country✓. (5)

2 infrastructure✓, social upliftment✓ through spending on education✓, health✓ and social assistance✓. (5)

3 customs duties✓ and excise taxes✓. (2)

4 Individual answers – e.g. less income from customs duties and excise taxes✓ because a slower economy means people have less to spend on non-essential items✓, so imports are lower✓ and items that qualify for excise taxes are also not selling as much as before✓. (4)

5 When international trading partners experience the same slow economic situation✓, the demand for non-essential goods and services declines✓ and that results in reduced trade between countries✓, so customs duties also decline✓. (4)

6 The wealthy sector of society is able to earn income✓ from their capital investments and shareholding in companies✓. Capital gains and non-resident dividends are to be taxed at a higher rate✓ to compensate for the reduced income from customs duties and excise taxes✓. Individual view on the fairness of this approach✓. The wealthy are generally regarded as being the most able to pay for a country's needs – some might argue that being entrepreneurial and successful is penalised and therefore makes it less attractive to work hard to become wealthy. ✓ (10)

Total: 30 marks

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Assessment guidelines

- This activity is intended for formal assessment.

Activity 3 Investigate the National Budget

Learner's Book page 27

Guidelines to implement this activity:

- This is an individual activity
- This activity is ideal to identify any learners who are having difficulty with the concept of the National Budget.

Suggested answers

1 The National Budget is a document that lists all the expected income for the next financial year ✓✓ and how it will be allocated to different government departments ✓✓ in order to ensure the country is run efficiently for the citizens.✓✓ (max 4)

2 Use discretion with the learner's answers as they have been asked for their opinion. They must support their opinion with valid reasons. Sample answer.
Yes I do think the National Budget is necessary because:

- the government must ensure that the income received from individuals is not too high that it makes them poorer✓✓
- the government must have a plan to use the money it receives wisely so that the needs of the citizens are satisfied as far as possible✓✓
- the differences between poor and rich is not made wider✓✓
- the citizens who voted in the government are kept informed of how the government is using the money it receives ✓✓

3 Income tax, business tax on profits, VAT, import and export duties, property tax (any 3 x 1 mark)
(note: the learners may write direct tax, indirect tax (each 1 mark)

4 Education, health, social grants, protection, transport, housing, security. (any 5 x 1 mark)

5 Direct tax: this is tax that tax payers pay according to their ability to pay tax. ✓✓e.g. personal income✓, business profits✓, property tax. (Max 4)
Indirect tax is paid by people regardless of how much they earn but according to what they purchase ✓✓ e.g. sin taxes✓, VAT✓, fuel levy. (max 4)

6 Sin taxes is a tax that is charged on items that are considered to be harmful✓✓ e.g. alcohol✓ or tobacco. ✓ These items affect the health of individuals and, sometimes, the health of others e.g. if a drunk person drives a car and has an accident and injures other people. ✓✓ (6)

7 Use discretion with learners answers. They must support their answer with valid, logical reasons.

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Sample answer:

Yes I do think the National Budget tries to redress economic inequalities ✓✓they give social grants to nearly one ✓✓ they offer free services at public health clinics to people who cannot afford medical carethird of the South African population who are unable to provide for themselves and their families✓✓ there are some schools that do not charge school fees ✓✓and they provide housing✓water and electricityü in poorer communities. ✓✓ (max 10)

Assessment guidelines:

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

Idea: this is an ideal activity to let the learners swop books and mark each other's work in PENCIL. Write your answers on the chalkboard and include ticks as shown in the memorandum above. Once they have done this, allow the learners to read answers that they are unsure of how to mark. Let the class discuss these and suggest how they would allocate marks. You as the teacher will make the final decision.

Reason: The learners must be given opportunities to mark each other's work. They will soon learn the importance of writing full sentences and how to give reasons for their opinion when it is asked for. If they get opportunities to experience how their work is marked or how marks are allocated they will have a clearer picture of how to apply their knowledge in formal assessment.

Unit 3 Standard of living

Learner's Book pages 28–32

Unit overview

In this unit, learners explore standards of living. A standard of living describes how well or how poorly a person or group of people live in terms of having their needs and wants met. Standard of living is also used to compare how people in different geographic areas live.

Additional resources

Newspaper, magazines – articles on small businesses, wealthy people and their lifestyle, community development projects, etc. Cardboard – classroom displays

Review Copy

Teaching guidelines

- Visual as well as verbal instruction will help your learners to remember the work.
- Find pictures of at least one characteristic of each type of society. For example, subsistence farming. Display these on the chalk board, overhead projector or interactive whiteboard.
- Learners will link the picture to the type of society which will help them recall the information they need.

Tip!

You can divide the class into groups of not more than four learners. Allocate a type of society to each group. Each group must then find pictures or draw pictures of the important characteristics of the society they have been allocated. They can also find examples on the internet. Each group must produce a poster that can be displayed at the back of the classroom. This will stimulate interest in the classroom and remind learners of the content as they work though the term. You will also be able to use these for revision for the mid-year and year end examinations.

Activity 1 Compare different societies

Learner's Book page 30

Guidelines to implement this activity

- This is pair activity. Each pair should discuss their answers.
- Once they have discussed their answers, learners write down their own answers in their exercise books. They can disagree with their partner.
- The purpose of the discussion is to get learners to write answers in their own words instead of copying what is in the Learner's Book.

Suggested answers

1 Standard of living describes the way a person or group is/are able to provide for their needs and wants.✓✓ It differs depending on the amount of income the person has. ✓✓ A higher income can provide a higher standard of living.✓✓ (any four)

2 Lifestyle is the way a person, group or society lives.✓✓ It refers to values, attitudes and sense of style.✓✓ It also involves group interaction, social gatherings, physical exercise, culture and financial situation.✓✓ (any four)

3 A self-sufficient society is able to provide for its needs independently.✓✓ It does not depend on outside groups or businesses.✓✓ Self-sufficient societies grow their own food and make their own clothes, for example.✓✓ People in these societies use skills learnt from their forefathers.✓✓

A rural society is sparsely populated and has vast areas of land.✓✓ It is situated far away from main towns and cities and people in rural societies have to travel far to purchase basic commodities.✓✓ Employment opportunities are scarce and often people in rural societies depend on the extended family for financial support.✓✓ Homes are basic and usually have communal water. ✓✓ (any six)

4 A modern society focuses on the needs and wants of the individual.✓✓ Friends and social groups are important and form the support network.✓✓ Extended families are less important.✓✓ Employment is competitive and housing is expensive.✓✓ Cost of living is also more expensive as people in modern societies purchase processed and ready-to-eat foods.✓✓ They are dependent on their employer for income and shops to provide their food and clothing.✓✓ They need to work to support their lifestyle.✓✓ Modern societies are characterised by:

- specialisation which means the each person specialises in a specific part of the production process, e.g. packer, credit controller, sales person, receptionist, cashier✓
- social groups, e.g. sports group, book club✓
- communication technology, e.g. ipads, mobile phones, laptop computers, iphones, etc.✓ (any 10)

5 **Modern society:**

A modern society focuses on the needs and wants of the individual.✓✓ Extended families are not important but friends and social groups become the support group.✓✓ Image is often important therefore brand label clothing, big homes and modern cars are purchased.✓✓ Employment is competitive and housing is more expensive.✓✓ Cost of living is also more expensive as modern societies purchase processed and ready-to-eat foods.✓✓ They are dependent on their employer for income and shops to provide their food and clothing.✓✓ They need to work to support their lifestyle.✓✓ Max 6

Rural Society:

These are usually found in the countryside away from towns and cities.✓✓ Fewer people live in rural areas. Rural people depend on subsistence forming as there are few employment opportunities.✓✓ Extended family is as important as immediate family.✓✓ Max 6 (12)

Total: 36 marks

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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. This is to encourage learners to share information, discuss possible answers and give opinions without the pressure of a mark allocation.
- It is important that learners have some activities where they can make mistakes and learn from these without the fear of how many marks they will lose as a result.

Activity 2 Do a presentation

Learner's Book page 31

Guidelines to implement this activity

- This is a pair activity.
- You will need to allocate some class time for the activity so that learners can plan their presentation.
- If you do not have any developments in your areas, learners can make up a type of development, for example game farm, casino, low-cost housing, golf estate, mining, etc.

Suggested answers

- Learners must hand in the following:
  - a written copy of their presentation
  - a breakdown of each learner's area of responsibility and their contribution to the presentation
  - copy of all visual aids used.
- It is important that you give the learners a copy of the assessment rubric below before they start the activity. This will guide them on what is expected of them.

Review Copy

Assessment guidelines

- This activity is intended for formal assessment.
- Use the marking rubric below to assess learners.

Criteria	Excellent	Good	Average	Needs help
Presentation:				
Identifies and explains the development	Type of development selected is relevant, applicable to the area and explained in detail (4–5 marks)	Good explanation of the type of development (3 marks)	Type of development named or mentioned (2 marks)	Type of development not explained or indicated (0–1 mark)
Possible impact on environment	Impact on the environment explained; results of the impact detailed; effect on community detailed (5–6 marks)	Possible impact explained with some examples (3–4 marks)	Possible impact on the environment mentioned (2 marks)	Little mention of the impact the development would have on the environment or information not relevant (0–1 mark)
Importance of development in area	Importance on economy, community, employment explained in detail with relevant examples (5–6 marks)	Good description of the importance of development, mentioning the effect on the community and employment (3–4 marks)	The importance of development on the community and employment is mentioned (2 marks)	Little mention of the importance of development on the area (0–1 mark)

Criteria	Excellent	Good	Average	Needs help
Importance of preserving the environment	Characteristics of the environment in the area detailed as well as the importance of preserving this for the community, examples given (5–6 marks)	Good explanation of the importance of preserving the environment mentioned with some examples (3–4 marks)	Importance of preserving the environment mentioned (2 marks)	Little mention of preserving the environment (0–1 mark)
Written presentation	Well written, neat, detailed description of each learner's responsibility and input plus neat copy of all visual aids (4–5 marks)	Written presentation neat and all components included (3 marks)	Written presentation untidy and some elements missing, e.g. visual aids (2 marks)	Not handed in or untidy showing little effort (0–1 mark)
Verbal presentation	Excellent, both learners taking part, creative, interesting and informative keeping to time limit (4–5 marks)	Good presentation showing combined effort with good use of visual aids (3 marks)	Presentation interesting with some use of visual aids (2 marks)	Weak presentation showing little effort (0–1 mark)
Use of visual aids	Excellent, relevant use of visual aids showing creativity (4–5 marks)	Good use of visual aids (3 marks)	Some use of visual aids but not always applicable or relevant (2 marks)	No visual aids used (0–1 mark)
	38			
Teamwork				
Responsibility	Both learners shared responsibility and assisted each other to ensure an excellent presentation (4 marks)	Both learners shared responsibility (3 marks)	One learner ended up doing more than the other (2 marks)	Both learners took little responsibility and did not complete the task (0–1 mark)
Conflict	Did not have conflict as they were both able to discuss difficulties in a mature manner and reach a compromise that benefitted the end product (4 marks)	Resolved conflict with little intervention from teacher (3 marks)	Resolved conflict with intervention from teacher (2 marks)	Did not have conflict due to lack of commitment (0–1 mark)
Deadlines	Project well planned to meet deadlines calmly (4 marks)	Project well planned with some last minute activity (3 marks)	Needed some extension to complete the project (2 marks)	Deadline not met (0–1 mark)
Commitment	Complete commitment, which was evidenced in the excellent presentation (4 marks)	Both showed commitment to the project (3 marks)	Both learners did what was needed to complete the project (2 marks)	Little commitment to completing the project ,which was evident in the poor presentation (0–1 mark)
Total marks				**50 marks**

Review Copy

Activity 3 Discuss unemployment

Learner's Book page 32

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1 Unemployment is when a person tries to find a job but is unable to.✓✓

2 Poor education which results in the person being unskilled is a cause of unemployment.✓✓ There is a surplus of unskilled workers, which makes unemployment levels even higher.✓✓ Minimum wages and high wage demands from trade unions makes it difficult for businesses to recruit additional labour.✓✓ (Max 4 marks)

- Unemployment results in a decline in the standard of living as people do not have the money to sustain this.✓✓ Sales for local produce and products drops as people do not have the money to purchase goods.✓✓ The government loses income from a drop in income tax.✓✓ Unemployed people who are desperate resort to crime and begging.✓✓ Divorce, poor health and alcoholism are some of the social problems resulting from unemployment.✓✓ (Max 12 marks)

3 Using recycled paper for packaging; using energy efficient appliances and lights; ensuring proper solid waste management; at municipal level; encouraging recycling by industry, business and households; using natural fertilisers and pest control methods (5 x 2 = 10 marks)

Total: 24 marks

Review Copy

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 34 and give them feedback on their performance to prepare them for formal assessment.

Unit 4 Accounting concepts

Learner's Book pages 33–44

Unit overview

In this unit learners will be looking at concepts that are used in Accounting. Accounting is based on Generally Accepted Accounting Principles (GAAP). This means that everyone uses the same accounting principles to record transactions and analyse financial statements. All businesses, whether big or small, follow GAAP. It is therefore important that learners understand the concepts and principles tackled in this unit.

Additional resources

Magazines

Teaching guidelines

- Go through the content with the learners in the Learner's Book.
- Make sure learners understand the accounting concepts covered in this unit.
- Use real-life situations to explain the concepts.
- Make posters of the concepts and paste them on the classroom walls.

Activity 1 Answer questions on sole traders

Learner's Book page 34

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1 A person (individual) that conducts a business in a personal capacity.✓✓

2 Bookkeeping is the recording of all transactions in a business.✓✓ Accounting is keeping records of what the business owns, owes and the value or interest the owner has in the business.✓✓ This information is used to make financial decisions.

3 Learners must give two examples of sole traders in the formal business sector other than the examples given in the Learner's Book. Their answers could include any two of the following: a landscaper, painter/handy man, seamstress or tailor, café owner, kiosk owner, shoe shop owner, etc.✓✓

4 The owner gets all the profits.✓✓
The owner is able to build up good relations with her or his customers.✓✓
Accept any valid explanation.

Total: 12 marks

Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• understand the concept sole trader			
• can differentiate between accounting and bookkeeping			

Activity 2 Use the accounting equation

Learner's Book page 35

Guidelines to implement this activity

- This is an individual activity.
- Learners need to understand and be able to differentiate between the following accounting concepts in order to do the activity: asset, liability, income, expense and owners' equity.

Suggested answers

Nr	A	OE	L
1	+80 000✓	+80 000✓	
2	+8 600✓		+8 600✓
3	–860✓	–860✓	
4	–3 800✓	–3 800✓	
5	+4 500✓	+4 500✓	
6	–800✓	–800✓	
Total	+87 640✓	+79 040✓	+8 600✓

To test:
A = OE + L

R87 640✓ = R79 040✓ + R8 600✓

R87 640✓ = R87 640✓

Total: 20 marks

Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the 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.

Activity 3 Analyse transactions

Learner's Book page 36

Guidelines to implement this activity

- This is an individual activity.
- Learners need to understand and be able to differentiate between the following accounting concepts in order to do the activity: asset, liability, income, expense and owners' equity.

Suggested answers

Nr	A	OE	L
1	+200 000✓	+200 000✓	
2	–4 200✓	–4 200✓	
3	+120 000✓ –120 000✓		
4	–13 500✓ +13 500✓		
5	+3 750✓ –3 750✓		
6	+500✓ –500✓		
7	+2 400✓	+2 400✓	
8	–840✓	–840✓	
9	–1 200✓	–1 200✓	
10	–400✓	–400✓	
11	+3 400✓	+3 400✓	
Total	+199 160✓	+199 160✓	

Total: 24 marks

Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the memorandum supplied above to assess learners informally. Allocate learners a mark out of 24 and give them feedback on their performance to prepare them for formal assessment.

Activity 4 Work out capital needed to start a business

Learner's Book page 37

Guidelines to implement this activity

- This is an individual activity.
- Go through the information in the Learner's Book and make sure learners understand what to do.
- Learners must make sure that the items are relevant to the type of business they have selected and that the amounts are realistic.

Suggested answers

- Learners' responses will vary. They must include the following in their response:
  - type of business
  - assets needed: building (rent or buy), vehicles, equipment

- compulsory expenses: trading license, telephone, material costs
- relevant items and realistic amounts
- amount of capital needed.

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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• mentioned the type of business			
• listed assets needed with amounts			
• gave expenses with amounts			
• correctly calculated the capital needed			

Activity 5 Classify income and expenses

Learner's Book page 38

Review Copy

Guidelines to implement this activity

- This is an individual activity.
- Work through the Learner's Book and make sure that the learners can differentiate between income and expenses.

Suggested answers

Nr.	Description	Income/expense
1	Services rendered	Income✓
2	Packing material	Expense✓
3	Renting a premises	Expense✓
4	Rent out part of a business premises	Income✓
5	Water and electricity	Expense✓
6	Sales	Income✓
7	Cost price of goods sold	Expense✓
8	Advertising costs	Expense✓
9	Salaries	Expense✓
10	Telephone	Expense✓

Total: 10 marks

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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can differentiate between an income and expense			

Activity 6 Help Aunt Betty's home baking business

Learner's Book page 39

Guidelines to implement this activity

- This is an individual activity.
- Go though the content in the Learner's Book and make sure learners understand how a business makes a profit or loss.
- Learners must read through the scenario and answer the questions in their exercise books.

Review Copy

Suggested answers

1 R23 400✓
2 R12 400✓ + R4 200✓ + R840✓ + R1 200✓ = R18 640✓
3 Income – expenses = profit/loss
R23 400✓ – R18 640✓ = R4 760✓✓ profit✓
4 This is an open question. Possible answers:
- advertise✓✓
- decrease her telephone costs✓✓
  any valid answers (2 × 2 = 4)

Total: 15 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the memorandum 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.

Activity 7 Use the correct accounting terms

Learner's Book page 41

Guidelines to implement this activity

- This is an individual activity.
- This activity is aimed to see if the learners understand and can differentiate between the accounting concepts.

Background knowledge
Accounting concepts for assets.

Suggested answers

1 Transaction✓✓
2 Assets✓✓
3 Current assets✓✓
4 Tangible/fixed assets✓✓
5 Land and buildings/vehicles/equipment✓✓
6 Petty cash✓✓
7 Fixed deposit✓✓
8 Debtors✓✓
9 Trading stock✓✓
10 Equipment✓✓ **Total: 20 marks**

Assessment guidelines

- This activity is intended for informal assessment.
- Use the 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.

Activity 8 Classify assets, owner's equity, liability, income and expenses

Learner's Book page 41

Review Copy

Guidelines to implement this activity

- This is an individual activity.
- This is a summary to test the learners' understanding of the accounting concepts.
- Give the learners a time limit and reward the learner/s who has/have the most correct answers.
- After learners have completed the activity, give learners a chance to call out the answers.

Suggested answers

1	Expense✓	**16**	Asset✓
2	Owners' equity✓	**17**	Expense✓
3	Asset✓	**18**	Asset✓
4	Asset✓	**19**	Asset✓
5	Liability✓	**20**	Owners' equity✓
6	Asset✓	**21**	Asset✓
7	Expense✓	**22**	Asset✓
8	Asset✓	**23**	Expense✓
9	Asset✓	**24**	Liability✓
10	Expense✓	**25**	Asset✓
11	Asset✓	**26**	Income✓
12	Expense✓	**27**	Expense✓
13	Asset✓	**28**	Income✓
14	Asset✓	**29**	Expense✓
15	Liability✓	**30**	Expense✓

Total: 30 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers/memorandum supplied 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 The learner(s):	Yes	Partly	No
• followed the instructions in the Learner's Book and understood what to do			
• can identify the different accounting concepts			

Activity 9 Answer questions on banking

Learner's Book page 42

Guidelines to implement this activity

- This is an individual activity.
- Work through the content in the Learner's Book with the learners and let them complete the activity.

Suggested answers

1 Cheque account✓

2 To help with the cash flow problems in the business – there is money available to make payments.✓
Prevent fraud.✓
The business can earn interest.✓
Accept any two. (any 2)

3 To prevent fraud.✓
The business can keep track of all payments.✓
Accept any valid explanation. **Total: 5 marks**

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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 The learner(s):	Yes	Partly	No
• followed the instructions in the Learner's Book and understood what to do			
• know the importance of doing deposits daily			
• know why all payments should be made by cheque			

Review Copy

Activity 10 Match columns

Learner's Book page 43

Guidelines to implement this activity

- This is an individual activity.
- Work through the content in the Learner's Book with the learners and let them complete the activity.

Suggested answers

Column A		Column B	
1	Book of first entry	C	Subsidiary journal✓✓
2	Main source of income for a service business	A	Current income✓✓
3	An example of consumables bought in a business	D	Stationery✓✓
4	If a business buys merchandise and sells it at a higher price	B	Trading stock✓✓

Total: 8 marks

Assessment guidelines

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

Review Copy

Criteria	Yes	Partly	No
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• know the journals is the books of first entry			

Activity 11 Answer questions on the accounting equation

Learner's Book page 44

Guidelines to implement this activity

- This is an individual activity.
- Work through the content in the Learner's Book with the learners and let them complete the activity.

Background knowledge

The accounting equation is Assets = Owner's equity + Liabilities.

Suggested answers

1

1.1 Non-current liabilities✓ and current liabilities✓

1.2 Capital✓✓

1.3 Drawings✓✓
2 Money✓, trading stock✓ and fixed assets✓
3

Nr	A	OE	L
3.3.1	R540 000	R347 800	**R192 200**✓✓
3.3.2	**R783 200**✓✓	R643 200	R140 000
3.3.3	R780 000	**R739 200**✓✓	R40 800

Total: 15 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 13 and give them feedback on their performance to prepare them for formal assessment.

Unit 5 Source documents

Learner's Book pages 45–53

Review Copy

Unit overview

This unit looks at different source documents and the information they contain.

Additional resources

Examples of source documents used in real life

Teaching guidelines

- Show learners examples of source documents used in businesses.
- Let learners paste documents used in businesses.
- Make sure that learners know which source documents are used for what in a business.

Tip! Use practical examples of source documents.

Background knowledge
Source documents are the second step in the accounting cycle after a transaction has taken place.

Activity 1 Use source documents

Learner's Book page 47

Guidelines to implement this activity

- This is an individual activity.
- Explain the use of the different source documents used in a business.

Suggested answers

1
1.1 A receipt is issued when money is received from customers.✓
1.2 Abigale Ndlovu✓
1.3 Rent, R5 000✓
1.4 As proof that you paid money.✓
2
2.1 Hillville Superette✓
2.2 VAT was charged on some items.✓
2.3 No, some items are standard rate and others are zero-rated.✓
2.4 R6,59✓
3
3.1 To deposit money into the bank account.✓
3.2 Hillville, 320509✓
3.3 Savings✓
3.4 R200✓
3.5 The cashier has to total the amounts received and payouts.✓

Total: 13 marks

Assessment guidelines

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

Review Copy

Criteria The learner(s):	Yes	Partly	No
• followed the instructions in the Learner's Book and understood what to do			
• know when a receipt is issued and how to read information from a receipt			
• know when a cash slip is issued and how to read information from a cash slip			
• know when a deposit slip is completed and can read information from a deposit slip			

Activity 2 Use source documents

Learner's Book page 50

Guidelines to implement this activity

- This is an individual activity.
- Go through the information in the Learner's Book and let the learners do the activity.
- Once learners have completed the activity, ask different learners to share their answers with the rest of the class.

Suggested answers

1 Cheque and cheque counterfoil✓
2 For payments✓
3 0264563778✓
4 It is written in words and numbers so that another person cannot change the amount (to prevent fraud).✓✓
5 The amount will only be paid out to Mrs Sibisi and not to somebody else.✓✓
6 Cheque counterfoil✓

Total: 8 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can read information from a cheque			

Review Copy

Activity 3 Analyse a bank statement and cash invoice

Learner's Book page 51

Guidelines to implement this activity

- This is an individual activity.
- Go through the information in the Learner's Book with the learners and let them do the activity.
- Once learners have completed the activity, give them the answers from the marking memorandum.

Suggested answers

1
1.1 Makeloi Books✓
1.2 Great National Bank✓
1.3 Current account✓, 10 March 20.3✓
1.4 Shop 910, Santam Centre, Summerstrand Port Elizabeth✓
1.5 R25 000✓
1.6 R18 500✓
1.7 One✓, R2 472,08✓

1.8 She has money in the bank.✓
1.9 R1 350✓
1.10 R5 367,62✓
1.11 credit✓
1.12 stop order = instruction by the client to the bank to pay a certain amount. The bank initiates the payment.✓✓
Debit order = instruction by the client to the payee. The payee initiates the withdrawal from the bank by magnetic tape.✓✓
1.13 R37,50✓ + R120,50✓ = R158✓
1.14 Bank charges✓

[21]

2
2.1 R26,60✓
2.2 Secret codes are used in the business for the cost price of goods sold.✓
2.3 R125,58✓
2.4 30 days ✓

[4]
Total: 25 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the memorandum supplied above to assess learners informally. Allocate learners a mark out of 25 and give them feedback on their performance to prepare them for formal assessment.

Review Copy

Activity 4 Complete source documents

Learner's Book page 53

Guidelines to implement this activity

- This is an individual activity.
- Give the learners empty source documents and let them fill in the documents.
- Complete the source documents with the learners.

Background knowledge
Differentiate between source documents used in a business.

Suggested answers

Check that learners create and fill in the necessary information on the source documents.

NKOSI BANK DEPOSIT SLIP

Name of account-holder ThinusMolefe ✓ Date: March 20.8

Account number _____4053372267✓_____

		R	C
Cash: Notes		15000	00 ✓
Cash: Coins		500	00 ✓
	Sub Total	15500	00 ✓
Cheques			
Drawer	**Bank**		
Sara Molefe ✓	RSA Bank ✓	2500	00
TOTAL DEPOSITED		18000	00
Deposited by: Thinus Molefe ✓			
Contact number: Mobile:	**Telephone:**		
Signature: (learner to include signature) ✓			

(10)

Review Copy

RECEIPT No. 459 Received from Mrs Abrams✓ Cash ☒ Cheque ☐ EFT ☐ For services rendered✓ Amount (in words) __Two hundred and eighty rand only_✓ Received by: ___T. Molefe✓___	R280	00✓

(5)

Date: 2/20.8 To: Maboko Printers ✓ For: Advertising ✓ Balance b/f Deposit: This cheque: 1800- ✓ Balance: 001	NKOSI BANK 253 225 ZULU BRANCH March 208 Pay Maboko Printers ✓ or bearer the sum of One thousand eight hundred rand only ✓ R1800.00 ✓ T. Molefe ✓ 001 253225 4053372267

(7)

CASH INVOICE

Malan &Seuns
Plot 4395
Godsburg, 1854

No: 128.
Date: ...March 20.8… …

Quantity	Details	Rate	Total
200 ✓	Refuse bags ✓	R2.00 ✓	✓400.00
30 ✓	Potting soil ✓	R40.00 ✓	✓ 1200.00
18 ✓	Lawn dressing ✓	R100.00 ✓	✓ 1800.00
			✓ R3400.00

Signature:

Review Copy

(11)

Total: 33 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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 The learner(s):	Yes	Partly	No
• followed the instructions in the Learner's Book and understood what to do			
• can differentiate between the different source documents used in a business			
• can complete a receipt			
• can complete a bank deposit slip			
• can complete a cheque and cheque counterfoil			
• can complete a cash invoice			

Term 2 Financial literacy, entrepreneurship and the economy

Core concepts covered

Term overview

During the course of this term look at an overview of the accounting cycle and find out more about various transactions, source documents and so on. They then look at a Cash Receipts Journal for a service business in more detail. They discover more about factors of production and in particular focus on capital, labour, the role of workers in business, fair employment practices and remuneration of the factors of production. They also look at types of markets and in particular at the factor market.

Review Copy

Content

Unit No.	Content	Pacing (Time allocation)	LB page	TG page
1	Financial literacy: Overview of the accounting cycle	4 hours	62	51
2	Financial literacy: Cash Receipts Journal (services)	5 hours	68	55
3	Entrepreneurship: Factors of production	3 hours	77	60
4	The economy: Markets	87	33	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
Project	Research a consumer good		63	Memorandum	64
Mid-year examination	Mid-year examination	94	140	Memorandum	124

Resources

Grade 8 Learner's Book, copies of local and Sunday newspapers, magazines

Unit 1 Overview of the accounting cycle

Learner's Book pages 62–67

Unit overview

This unit gives an overview of the accounting cycle. Each stage in the accounting cycle is identified and explained.

Teaching guidelines

- Show the learners an overview of the accounting cycle.
- Emphasise that a cycle has a beginning and an end and that it repeats itself.
- A cycle consists of 12 months.

Tip! After explaining the accounting cycle, let the learners draw the accounting cycle in their exercise books.

Activity 1 Answer questions on transactions and source documents

Learner's Book page 64

Review Copy

Guidelines to implement this activity

- This is an individual activity.
- Go through the content in the Learner's Book and let the learners do the activity.
- It is important that the learners know the different source documents explained in Term 1 Unit 5.

Background knowledge
The source documents learnt in Term 1 Unit 5.

Suggested answers

1 Information necessary when recording a transaction in the books of a business:
- The date of the transaction.✓
- The parties involved in the transaction.✓
- The amount of money involved.✓
- The reason for the transaction.✓
- The source document (proof that the transaction took place from which the transaction will be recorded).✓

2

Transaction	Source document
R. Abby deposited R200 000 as capital contribution into the business bank account	Duplicate receipt ✓
Bought a building for R120 000 to do business from	Cheque counterfoil ✓
Bought equipment for rendering a service	Cheque counterfoil ✓
Receive R12 300 from clients for rendering a service	Cash register slip ✓
Pay weekly wages to his employees, R4 200	Cheque counterfoil ✓
R. Abby rented part of his building to his sister to start a hairdressing business. Received R3 500 for rental.	Duplicate receipt ✓
Deposited cash and cheques of R23 400 into the current bank account	Bank deposit slip ✓
The bank levied R240 bank charges	Bank statement ✓
A stop order for Insurance for R480	Bank statement ✓
The owner took R2 800 for personal use	Cheque counter foil ✓

Total: 15 marks

Assessment guidelines

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

Review Copy

Criteria	Yes	Partly	No
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can differentiate between and name the source documents used in a business			

Activity 2 Decide on the appropriate journal

Learner's Book page 65

Guidelines to implement this activity

- This is an individual activity.
- Make sure your learners understand that all cash receipts are entered in the Cash Receipts Journal and all payments are entered in the Cash Payments Journal.

Suggested answers

1

Transaction	Subsidiary journal
R. Abby deposited R200 000 as capital contribution into the business bank account	CRJ✓
Bought a building for R120 000 to do business from	CPJ✓
Bought equipment for rendering a service	CPJ✓
Received R12 300 from clients for rendering a service	CRJ✓
Paid weekly wages to his employees, R4 200	CPJ✓
R. Abby rented part of his building to his sister to start a hairdressing business. Receive R3 500 for rental.	CRJ✓
Deposited cash and cheques of R23 400 into the current bank account	CRJ✓
The bank levied R240 bank charges	CPJ✓
A stop order for insurance for R480	CPJ✓
The owner took R2 800 for personal use	CPJ✓

2 R145 600 – R96 700 = R48 900 left in the bank. ✓✓ **Total: 12 marks**

Assessment guidelines

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

Review Copy

Criteria The learner(s):	Yes	Partly	No
• followed the instructions in the Learner's Book and understood what to do			
• can differentiate between transactions in the CRJ and CPJ.			

Activity 3 Give definitions

Learner's Book page 67

Guidelines to implement this activity

- This is an individual activity.
- Go through the content in the Learner's Book and let the learners do the activity.

Suggested answers

1

1.1 Trial balance: list of accounts which appears in the General Ledger, showing each account's balance.✓✓

1.2 Income statement: review of the operating results of the business over a given period of time; determines if the business made a profit or loss.✓✓

1.3 Review of the financial position of a business on a specific date.✓✓

1.4 Financial period: period for which report on operating activities is done, normally twelve months.✓✓

2 Used to test the application of the double entry principle and arithmetical accuracy of entries.✓✓

3 Income > Expenses = profit✓✓
Expenses > Income = loss✓✓
Income statement✓

4 Assets✓ and owners' equity and liabilities✓

5 R675 000✓ – R310 000✓ = R365 000✓

Total: 20 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the 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.

Activity 4 Draw the accounting cycle

Learner's Book page 67

Review Copy

Guidelines to implement this activity

- This is an individual activity.
- Go through the content in the Learner's Book and let the learners do the activity.

Suggested answers

1 transaction✓ → document✓ → subsidiary journal✓ → General Ledger✓ → trial balance✓ → income statement✓ → balance sheet✓

2

A Transaction✓
B Ledger✓
C Bank statement✓
D Subsidiary journal✓
E Trial balance✓
F Income statement✓
G Balance sheet✓
H Twelve months✓

Total: 15 marks

Assessment guidelines

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

Criteria	Yes	Partly	No
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can draw the accounting cycle			
• can explain the concepts of the accounting cycle			

Unit 2 Cash Receipts Journal (Services)

Learner's Book pages 68–76

Unit overview

In this unit learners will:
- explore the concept of a CRJ of a service business
- look at the format of the CRJ as well as the uses of the columns in the CRJ
- use source documents to complete the CRJ
- enter cash transactions in the CRJ
- close off the CRJ
- examine the effect cash transactions have on the accounting.

Review Copy

Resources

Cash Receipts Journals
Examples of source documents

Teaching guidelines

- Accounting is a step-by-step approach. Make sure learners understand a concept before you move onto to the next concept.
- This is the first time learners are introduced to entering transactions in the journals, it is therefore important that they understand the columns and what they are used for.

Tip! The more activities on recording of transactions in the Cash Receipts Journal the better.

Background knowledge
- All cash receipts will be entered in the Cash Receipts Journal.
- Source documents used will be duplicate receipts and cash register roll.

Activity 1 Answer questions on a CRJ

Learner's Book page 70

Guidelines to implement this activity

- This is an individual activity.
- Go through the content with the learners and let them do the activity.
- Ask a learner to do question 3 on the board and explain again why the different columns are used.

Suggested answers

1 Cash Receipts Journal (CRJ)✓

2 Capital contribution,✓ money received for services rendered,✓ other cash received,✓ for example rent income and interest received for money in the bank.

3

Cash Receipts Journal of ABC Electricians for March 20.8 **CRJ**

Doc	Day	Details	Fol	Analysis of receipts	Bank	Current income	Sundry accounts		
							Amount	Fol	Details

Total: 14 marks

Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can open a Cash Receipts journal			

Activity 2 Record transactions

Learner's Book page 73

Guidelines to implement this activity

- This is an individual activity.
- Once learners have completed the activity, go through the answers with them on the board.

Suggested answers

Cash Receipts Journal of Sam Plumber for July 20.9 **CRJ**

Doc	Day	Details	Fol	Analysis of receipts	Bank		Current income		Sundry accounts			
									Amount		Fol	Details
001	1	Sam Radebe			40 000✓	–			40 000✓	–		Capital✓
CRR	6	Services rendered		2 800✓	2 800✓	–	2 800✓	–				
CRR	14	Services rendered		8 500✓	8 500✓	–	8 500✓	–				
002	25	Sam Radebe			10 000✓	–			10 000✓	–		Capital✓
BS	31	RSA Bank✓			50	–			50✓	–		Interest on current account✓

Total: 15 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can record transactions in the Cash Receipts Journal			

Review Copy

Activity 3 Analyse transactions for Davido Attorneys

Learner's Book page 75

Guidelines to implement this activity

- This is an individual activity.
- Go through the examples on pages 74 and 75 with the learners and then let them complete the activity.
- Test learners' understanding of assets, owner's equity and income by asking them questions related to these accounting elements.

Total: 16 marks

Suggested answers

Assets		= Owner's Equity	
Effect	**Reason**	**Effect**	**Reason**
1. +250 000✓	Bank increases✓	+250 000✓	Capital contribution✓
12. +6 400✓	Bank increases✓	+6 400✓	Current income✓
18. +3 400✓	Bank increases✓	+3 400✓	Rent income✓
30.+350✓	Bank increases✓	+350✓	Interest on current bank account✓

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can show the effect of cash transactions on the accounting equation			

Activity 4 Complete, close off and analyse the CRJ

Learner's Book page 76

Guidelines to implement this activity

- This is an individual activity.
- Once learners have completed the activity, go through it step-by-step on the board. Make sure learners understand the entire process.

Review Copy

Suggested answers

Cash Receipts Journal WN Dentist for September 20.9 **CRJ**

Doc	Day	Details	Fol	Analysis of receipts	Bank	Current income	Sundry accounts		
							Amount	Fol	Details
001	1	Wasela Naidoo			350 000✓ –		350 000✓ –		Capital✓
CRR	12	Services rendered		2 850✓ –	2 850✓ –	2 850✓ –			
CRR	18	Services rendered		12 670✓ –	12 670✓ –	12 670✓ –			
002	24	Pat Abrahams		5 000✓ –	5 000✓ –		5 000✓ –		Rent income✓
CRR	28	Services rendered		24 500✓ –	24 500✓ –	24 500✓ –			
BS	30	RSA Bank		No amount✓	380✓ –		380✓ –		Interest on current account✓✓
				–	**395 400✓**	**40 020✓**	**55 380✓** –		

Assets		= Owner's Equity	
Effect	**Reason**	**Effect**	**Reason**
1. +350 000✓	Bank increases✓	+350 000✓	Capital contribution✓
12. +2 850✓	Bank increases✓	+2 850✓	Current income✓
24. +10 000✓	Bank increases✓	+10 000✓	Rent income✓
30.+380✓	Bank increases✓	+380✓	Interest on current bank account✓

Total: 40 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 40 and give them feedback on their performance to prepare them for formal assessment.

Activity 5 Record transactions

Learner's Book page 76

Guidelines to implement this activity

- This is an individual activity.
- The learners must do the activity and mark it on the board.

Review Copy

Suggested answers

Cash Receipts Journal Davido Electricians for July 20.9 **CRJ**

Doc	Day	Details	Fol	Analysis of receipts		Bank		Current income		Sundry accounts			
										Amount		Fol	Details
001	1	David Davids✓				50 000✓	–			50 000✓	–		Capital✓
CRR	8	Cash✓		7 400✓	–	7 400✓	–	7 400✓	–				
CRR	19	Cash		10 300✓	–	10 300✓	–	10 300✓	–				
CRR	25	Cash		6 400✓	–	6 400✓	–	6 400✓	–				
				–		**74 100**✓	–	**24 100**✓	–	**50 000**✓	–		

Assets		= Owner's Equity	
Effect	**Reason**	**Effect**	**Reason**
1. +50 000✓	Bank increases✓	+50 000✓	Capital contribution✓
8. +7 400✓	Bank increases✓	+7 400✓	Current income✓

Total: 25 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 40 and give them feedback on their performance to prepare them for formal assessment.

Unit 3 Factors of production

Learner's Book pages 77–86

Unit overview

This unit focuses on the four factors of production, namely: capital, labour, natural resources and entrepreneurship. It also deals with their impact on and the importance in the production process as well as the remuneration for each of the four factors of production.

The 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

Review Copy

Teaching guidelines

- Make sure learners understand what the four factors of production are.
- Ask them to give different examples of each factor of production to check their understanding.
- The latter half of the unit deals with labour-related issues. Encourage learners to discuss these issues. Remind them that everyone is entitled to their own opinion.

Activity 1 Discover how a small business funds its growth

Learner's Book page 79

Guidelines to implement this activity

- This is an individual activity.
- Learners read through the case study and answer the questions in their exercise books.

Background knowledge

Ask learners to think of informal car washing services they may have noticed in town and relate the 469 Car Wash case study to their own observations before answering the questions.

Suggested answers

1 It was an informal business with no capital.✓✓ (Presumably Mandla and his two partners supplied their own buckets, cloths and soap until they had earned enough money to live on and to buy better equipment for their business.)
2 The car wash business was fortunate to win two awards✓ – one from SA Breweries' Kick-Start programme and the other from the Small Enterprise Development Agency. They have not borrowed this money ✓and do not have to pay interest on it,✓ so from an accounting point of view it is own capital. ✓
3 It would be borrowed capital and they would have to pay interest or dividends to the investors for the use of their money. ✓✓

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.

TERM 2

Activity 2 Consider the role of workers in business

Learner's Book page 82

Review Copy

Guidelines to implement this activity

- This is a group activity. Divide learners into groups of five or six.
- Learners discuss the questions in the Learner's Book on page 81.
- Walk around the classroom and listen to what the various groups have come up with; encourage all learners to actively participate in the discussion.

Suggested answers

1 Workers supply the mental✓ and physical effort✓ that brings the other three factors of production together to produce goods and services.
2 Workers are motivated by good working conditions✓, fair pay✓ and recognition of their contribution to the business.✓ Workers are demotivated by low morale✓, constant complaints✓, poor working conditions✓ and exploitation of their labour for low pay✓. (any 4)
3 Productivity is to do with how quickly and how well goods are produced✓. The quicker goods are produced, the sooner they can be sold✓ and the business continues to make more products✓. This increases the number of goods sold and the profits made✓. Both labour and technical equipment contribute to the effectiveness of the production process ✓and therefore play an important role in the profitability of the business✓.
4 Skilled labour has developed specialist skills and knowledge that enable employees to perform senior, responsible jobs✓. Semi-skilled labour usually has some on-the-job training that enables employees to handle specialised and technically challenging work✓. Unskilled labour has no special skills training or higher

education✓. In a construction company, skilled labour performs the roles of foreman, crane operator, carpenters, specialist plasterers, plumbers, electricians, and so on✓. Semi-skilled labour performs the brick-laying, rough plasterwork, pipe-laying, and so on✓. Unskilled labour does the hard load carrying, moving bricks, mixing and spreading concrete, keeping the building site tidy, and so on✓.

5 Workers in any business can affect the productivity by slowing everything down if individuals do not make sure that the part of the business they are responsible for is performed well and on time✓. If workers are skilled at whatever it is they are responsible for and are energetic✓, they contribute to faster production processes and so productivity is increased.✓

Total: 20 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.
- As you circulate among the groups, give them guidance and feedback on their discussions. No marks are awarded.

Review Copy

Activity 3 Explore natural resources

Learner's Book page 85

Guidelines to implement this activity

- Learners must work in groups of five.
- This activity has a few steps that learners need to complete. Firstly, they need to list all the natural resources they can think of that we depend on in our modern lifestyles. All groups then need to compare their lists with other groups in the class.
- The next part of the activity requires learners to identify one natural resource that was listed in class – you need to ensure that no natural resources are duplicated and that each group is assigned to one resource in particular.
- Then they need to research the natural resource. They need to research how the natural resource is used, how it is extracted, and determine if there are any environmental concerns related to it. Finally, they need to create a poster showing their findings.

Suggested answers

1 Individual group decisions on the natural resource each plans to research.

2 Research could be with reference to their Natural Sciences material, the school or municipal library, or the Internet. (7)

3 Posters should be well laid out ✓with sketches or illustrations of the natural resource,✓✓ its source,✓✓ extraction methods,✓✓ environmental impact,✓✓ how it is used,✓✓ why it is important to consumers.✓✓ (13)

Total: 20 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the guidelines supplied above to assess learners informally. Allocate groups of learners a mark out of 15 and give them feedback on their performance.

PoA Project Research a consumer good

a

b

c

d

Review Copy

Work in groups and then on your own.

1 Choose one of the items from the pictures above.
2 Discuss and identify everything that went into making the item.
3 Individually, create an illustrated timeline for the production of the item. **[50 marks]**

Guidelines to implement this activity

- This is a group and individual activity.
- Learners must first work in groups of three or four.
- Groups must choose one of the items depicted in the Learner's Book on page 85.
- They then need to discuss and identify everything that went into making the item they chose.
- Once this part of the activity is complete, learners must work independently, and create an illustrated timeline for the production of the item.

Suggested answers

1
- Soccer ball: The standard soccer ball is made of synthetic leather, usually polyurethane or polyvinyl chloride, stitched around an inflated rubber or rubber-like bladder. Older balls were made of genuine leather and held shut with cotton laces. Modern balls have a valve. The synthetic leather panels are backed with cloth, usually polyester or a poly-cotton blend. The backing is held on with a latex adhesive. Extracting rubber and latex from trees; processing the rubber through a mold to form the inner bladder; cutting 32 hexagonal pieces of leather from tanned cow hide; glueing up to 4 layers of fabric to the inside of each leather piece with latex glue; stamping the company logo on the panels; hand-stitching the panels together; inserting a valve; pumping up the ball to check that it hasn't been punctured in the stitching process; deflating the ball and packaging it for shipment.
- Cell phone: Cell phones are made up of several different materials, the main one being plastic. There are also trace amounts of lead in the coating and a rare mineral called tantalum in the capacitors. There is also a little copper, some nickel and various other elements in the battery.
- Cricket bat: Cricket bats are made from a mature cricket bat willow tree that is usually between 15 and 20 years old (90% come from an English supplier). The wood is cut into 28-inch lengths and hand-graded before being cut into shape. The handles are taped and the wood lightly oiled with natural linseed oil.
- Perfume: A range of at least 10 essential oils from flowers and plants, organic chemicals to give the perfume a lasting quality, fixatives, denatured alcohol, bottles, packaging.

Total: 50 marks

Review Copy

Assessment guidelines

- Use the checklist below to assess learners.

Criteria The learner(s):	Maximum marks
• followed the instructions in the Learner's Book and understood what to do	
• contributed to the research in the group activity	5
• participated fully in the group discussions	5
• created relevant illustrations for each step of the timeline	10
• organised the information on the timeline chronologically	10
• included the relevant steps for the production process in the timeline	10
• presented a timeline that was neat and easy to follow	10

Activity 4 Complete the graphic of the factors of production

Learner's Book page 86

Guidelines to implement this activity

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

Suggested answers

1 Reproducing the figure correctly. (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) **[20]**

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.

Review Copy

Activity 5 Identify the factors of production

Learner's Book page 86

Guidelines to implement this activity

- This is an individual activity.
- Learners identify the factor of production represented in each of the questions.

Suggested answers

1 Entrepreneur✓
2 Natural resource✓
3 Labour✓
4 Potential entrepreneur (needs to develop a business)✓
5 Capital✓
6 Natural resources (and wealth)✓
7 Natural resource ✓
8 Labour ✓

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.

Unit 4 Markets

Learner's Book pages 87–93

Unit overview

In this unit learners will learn about the two main types of markets, namely the goods and services market and the factor market. The goods and services market is self-explanatory in that it deals with products and services that businesses offer to their customers. A factor market is divided into two main areas, namely labour and financial. Labour is the different types of skills that are required in a business. The financial market concerns all the organisations and financial institutions that contribute towards entrepreneurial activity.

Additional resources

Newspaper, magazines – advertisements for products and services; articles on investments, savings accounts

Cardboard for the classroom displays

Review Copy

Teaching guidelines

- Visual as well as verbal instruction will help learners to retain the information in this unit.
- Let the learners find advertisements of products and services; employment vacancies and interest rates, bank loans or bank accounts. They can select and glue one for each type of market. This will help learners make the link between the picture (example) and form of market.

Activity 1 Think about goods and services market Learner's Book page 89

Guidelines to implement this activity

- This is pair activity. Each pair should discuss their answers.
- Once they have discussed their answers, each learner should write his or her own answers in their exercise book.
- The purpose of the discussion is to get learners to write answers in their own words instead of copying what is in the Learner's Book. It also gives them an opportunity to learn from other learners' answers that they may not have though of.

Suggested answers

Use your discretion with learners' answers. They must use their experience and knowledge to answer this question.

1.1 Buyers, e.g. customers ✓purchase from the restaurant, shop and the shop,✓
Seller: restaurant, shop, wholesaler, etc.
Note: The shop can also be the buyer when they purchase products or raw materials to provide the service or goods for the customers.

1.2 Allow learners time to discuss their answers. Each learner must write their own answer in their exercise book. Examples include price,✓ accessibility,✓customer service, etc.

1.3 Examples could include: advertising✓, good quality products✓, value for money, ✓excellent service delivery✓ etc.

2 Learners must use examples from the diagram to support their answers.
Sample answer:
A wholesaler provides a central point for a large number of different suppliers to sell their products.✓✓ Each supplier delivers their particular product to the wholesaler in large quantities✓✓ which makes it easier for them to transport and package.✓✓ The retailer and customer have a large selection of products to choose from.✓✓ The wholesaler repacks the products into smaller quantities for the retailer and customer.✓✓ A retailer would not be able to source, purchase in bulk and store the same variety of goods from so many manufacturers without the assistance of the wholesaler.✓✓ (max 8)

3 The introduction of money and banking has changed the way customers and businesses are able to exchange goods and services.✓✓ The customer has money and can pay in different denominations for goods.✓✓ They do not have to have the exact value of product to exchange as was the case in days when bartering used.✓✓ Modern technology has eliminated the actual use of cash through Internet and telephone banking.✓✓ Goods can be bought and sold internationally using the Internet which was not possible in early days before money.✓✓ (max 10)

Total: 26

Review Copy

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.
- Marks have been allocated to this activity. It is important that learners have some activities where they can make mistakes and learn from these without the worry of how many marks they will lose as a result.

Activity 2 Understanding factor markets Learner's Book page 93

Guidelines to implement this activity

- This is an individual activity
- Learners must know the components of factor markets and be able to explain them.

Suggested answers

1.1 A factor market is the place where the factors of production are bought and sold.✓✓ It consists of the labour and financial markets.✓✓ (4)

1.2 The financial market is the place where a business owner or entrepreneur is able to obtain money to start or expand their business.✓✓ (2)

1.3 The capital market is the place where money in the form of shares is obtained to start or expand a large business e.g. company.✓✓ Shares are sold to members of the public to obtain capital.✓✓ (max 4)

1.4 The money market is the place where business can obtain cash or credit.✓✓ This is in the form of loans from a bank✓✓ or buying goods or services on account and paying at the end of the month.✓✓ (max 4)

1.5 The labour market is the place where people are employed to do a job of work.✓✓ (2) These employees sell their time, knowledge and experience to the business in exchange for salaries or wages.✓✓ (max 2)

They can be skilled, semi-skilled or unskilled workers.✓✓ Labour is the mental and physical work done by a person.✓✓ (max 6)

2 A business that manufactures clothing will require different types of skilled workers from the labour market.✓✓ Their labour can be skilled, semi-skilled and unskilled.✓✓ The more skills a worker has the higher their wage or salary.✓✓ A manufacturing business uses will pay wages and salaries.✓✓ The wages are paid to workers who are paid per hour e.g. factory workers.✓✓ The employees in a manufacturing business sell their time, expertise and experience to the employer.✓✓

Total: 28 marks

Review Copy

Assessment guidelines

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

Activity 3 Explain factor markets to Lucus Learner's Book page 93

Guidelines to implement this activity

This is an individual activity. The learners must apply their subject and general knowledge to answer these questions.

Suggested answers

1 The capital market is where shares are sold to the public to obtain capital for large enterprises.✓✓ Lucas is starting a small business as a sole trader where shares cannot be sold to the public.✓✓ He has to find his own capital, obtain a partner or get a loan from the bank.✓✓ (max 6)

2 He could apply to the bank for a small loan of R7 000.✓✓ He already has customers so the bank may be able to lend him the money as he will be able to repay this loan.✓✓ He will not be able to have a bank overdraft for R7 000 unless he has a current or cheque bank account and assets to cover the repayment of the loan.✓✓ (6)

Total: 12 marks

Drama:
You could let the learners role play this scenario. One learner is the bank and the other is Lucas. Divide the class into groups and discuss what Lucus will need to obtain a loan, draw up ideas on how he can convince the bank to lend him the money. The other group will decide what criteria the bank will need to lend R7 000 to a potentially successful entrepreneur.

Assessment guidelines:

- This activity is intended for informal assessment
- Use the suggested answer supplied above to assess learners informally. Give them feedback on their answers in order to help them prepare for formal assessment. Encourage learners who do not do well in the assessment to re-do their answers in order to improve their marks and to ensure that they understand the concept fully.
- **Drama:** Do not allow the learners to spend too much time on the role play. However, it will make the topic more interesting and fun for the learner's. This will also be an opportunity to assess their knowledge regarding own and borrowed capital dealt with under Entrepreneurship in week 5–6.

Review Copy

Activity 4 Explain factor markets

Learner's Book page 93

Guidelines to implement this activity

- This is an individual activity.
- The learners must distinguish between goods and services markets and factor markets.
- A factor market has two components: labour and financial.
- The learner must recognise that labour and financial are part of factor markets and not part of goods and services.

Suggested answers

1 Labour and financial✓✓
2 Goods and services markets provide products and services to the customer.✓✓ The factor market provides labour and finances to businesses.✓✓
3 The money market allows a person to obtain a better interest than a current or savings account. However, there is a minimum amount that must be invested. A capital investment is when a person invests in shares in a company or invests money in a business venture. This is more risky as the business may not do well or may even fail. However, if the business is successful, she could make a lot of money.

Verishnie can take out a short term loan to purchase new equipment. A loan means that she will receive the full R20 000 and will have to repay a fixed sum of money for a specific number of months. The interest is included in the repayments. A bank overdraft will help her to cover expenses at the end of the month. She will only have to pay interest on the amount overdrawn for the number of days it is overdrawn. (10)

Total: 16 marks

Assessment guidelines

- This activity is intended for informal assessment.
- If you do decide to allocate marks to this activity, you must inform the learners before they attempt the activity.

Review Copy

Term 3 Financial literacy and entrepreneurship

Core concepts covered

Term overview

In this term learners focus on financial literacy and entrepreneurship. They find out more about a cash receipts journal and how to enter transactions and close off the CRJ. They then look at a cash payments journal in a service business. Finally, they look at different forms of business ownership and their characteristics and advantages and disadvantages.

Review Copy

Content

Unit No.	Content	Pacing (Time allocation)	LB page	TG page
1	Financial literacy: Cash Receipts Journal (service)	4 hours	103	72
2	Financial literacy: Cash Payments Journal (service)	7 hours	109	77
3	Entrepreneurship: Forms of ownership	7 hours	121	91

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
Case study	Dimension Data		93	Memorandum	94
Controlled test	Exemplar controlled test	131	138	Memorandum	122

Resources

Grade 8 Learner's Book, copies of local and Sunday newspapers, magazines

Unit 1 Cash Receipts Journal (services)

Learner's Book pages 103–108

Unit overview

In this unit, learners:
- enter cash transactions in the Cash Receipts Journal (CRJ)
- close off a CRJ
- look into the effects of cash transactions on the accounting equation.

Activity 1 Record transactions in CRJ

Learner's Book page 105

Guidelines to implement this activity

- This is an individual activity.
- Once learners have completed the activity on their own, go through the answers with the class.

Suggested answers

1 Cash Receipts Journal Sophia Hairstylists for October 20.11 **CRJ**

Doc	Day	Details	Fol	Analysis of receipts		Bank		Current income		Sundry accounts			
										Amount		Fol	Details
001	1	Sophia Motloung				80 000✓	–			80 000✓	–		Capital✓
CRR	10	Cash		3 600✓	–	3 600✓	–	3 600✓	–				
CRR	18	Cash		8 300✓	–	8 300✓	–	8 300✓	–				
CRR	27	Cash		10 200✓	–			10 200✓	–				
002		J. Ndlovu		7 000✓	–	17 200✓	–			7 000✓	–		Rent income✓
				–		**109 100✓**	–	**22 100✓**	–	**87 000✓**	–		

Review Copy

2 R22 100 + R87 000 = R109 100✓✓✓

3

Assets		= Owner's Equity	
Effect	**Reason**	**Effect**	**Reason**
1. +80 000✓	Bank increases✓	+80 000✓	Capital contribution✓
10. +3 600✓	Bank increases✓	+3 600✓	Current income✓
18. +8 300✓	Bank increases✓	+8 300✓	Current income✓
27. +10 200✓	Bank increases✓	+10 200✓	Current income✓
27. +7 000✓	Bank increases✓	+7 000✓	Rent income✓

Total: 42 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can record transactions in the Cash Receipts Journal and can close off the journal at the end of the month			
• can show the effect of cash transactions on the accounting equation			

Activity 2 Record transactions

Learner's Book page 105

Guidelines to implement this activity

- This is an individual activity.
- Once learners have completed the activity on their own, go through the answers with the class.

Review Copy

Suggested answers

1 Cash Receipts Journal of AAA Securities for May 20.7 **CRJ**

Doc	Day	Details	Fol	Analysis of receipts		Bank		Current income		Sundry accounts			
										Amount		Fol	Details
001	1	Dirk Barnard				100 000✓	–			100 000✓	–		Capital✓
CRR	7	Cash		3 800✓	–	3 800✓	–	3 800✓	–				
CRR	15	Cash		23 100✓	–			23 100✓	–				
002		Abel Motsepe		5 000✓	–	28 100✓✓✓	–			5 000✓	–		Rent income✓
CRR	26	Cash		34 700✓	–	34 700✓	–	34 700✓	–				
				–	–	**166 600✓**	–	**61 600✓**	–	**105 000✓**	–		

2 R105 000✓ + R61 600✓ = R166 600✓

TERM 3

3

Assets		= Owner's Equity	
Effect	**Reason**	**Effect**	**Reason**
1. +100 000✓	Bank increases✓	+100 000✓	Capital contribution✓
7. +3 800✓	Bank increases✓	+3 800✓	Current income✓
15. +23 100✓	Bank increases✓	+23 100✓	Current income✓
15. + 5000✓	Bank increases✓	+5 000✓	Rent income✓
26. +34 700✓	Bank increases✓	+34 700✓	Current income✓

Total: 43 marks

Assessment guidelines

- This activity is intended for formal assessment.
- Use the memorandum supplied above to assess learners. Allocate learners a mark out of 40 and record the marks for formal assessment.

Activity 3 Record transactions

Learner's Book page 107

Review Copy

Guidelines to implement this activity

- This is an individual activity.
- Once learners have completed the activity on their own, go through the answers with the class.

Suggested answers

1 **Cash Receipts Journal Sophia Hairstylists for October 20.11** **CRJ**

Doc	Day	Details	Fol	Analysis of receipts		Bank		Current income		Sundry accounts			
										Amount		Fol	Details
001	1	Joseph Mtembu				10 000✓	–			10 000✓	–		Capital✓
002	6	S. Motlana		240✓	–	240✓	–	240✓	–				
003	10	SA Suppliers		1 200✓	–	1 200✓	–	1 200✓	–				
004	14	G. Nkina		280✓	–	280✓	–	280✓	–				
005	25	R. Davids		580✓	–			580✓	–				
006		Joseph Mtembu		5 000✓	–	5 580✓	–			5 000✓	–		Capital✓
				–		**17 300✓**	–	**2 300✓**	–	**15 000✓**	–		

2 R15 000✓ + R23 000✓ = R17 300✓

3	Assets	= Owner's Equity	
Effect	**Reason**	**Effect**	**Reason**
1. +10 000✓	Bank increases✓	+10 000✓	Capital contribution✓
6. +240✓	Bank increases✓	+240✓	Current income✓
10. +1 200✓	Bank increases✓	+1 200✓	Current income✓
14. +280✓	Bank increases✓	+280✓	Current income✓
25.+580✓	Bank increases✓	+580✓	Current income✓
25. +5 000✓	Bank increases✓	+5 000✓	Capital contribution✓

Total: 49 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can record transactions in the Cash Receipts Journal and can close off the journal at the end of the month			
• can show the effect of cash transactions on the accounting equation.			

Review Copy

Activity 4 Mama Mathola's Garden Service

Learner's Book page 107

Suggested answers:

1 Cheque account✓✓
2 Book of first entry✓, books in which transactions are recorded✓ from source documents✓
3 Duplicate✓ receipt✓
4

Cash Receipts Journal of Mama Mathola Garden Services for April 20.9

Doc	Day	Details	Fol	Analysis of receipts		Bank		Current income		Sundry accounts			
										Amount		Fol	Details
001	1	Mama Mathola				40 000✓	–			40 000✓	–		Capital✓
002	6	Current income		1 500✓	–	1 500✓	–	1 500✓	–				
003	15	Current income		350✓	–	350✓	–	350✓	–				
004	22	Current income		2 000✓	–	2 000✓	–	2 000✓	–				
005	29	Mama Mathola				10 000✓	–			10 000✓	–		Capital✓
✓		✓				**53 850**	–	**3 850**	–	**50 000**	–		

5 R50 000✓ + R3 850✓ = R53 850✓

6

Assets		= Owner's Equity	
Effect	Reason	Effect	Reason
6. +1 500✓	Bank increases✓	+1 500✓	Current income✓
29. +10 000✓	Bank increases✓	+10 000✓	Capital contribution✓

Total: 35 marks

Activity 5 Pan Plumbers

Learner's Book page 108

Guidelines to implement this activity

- This is an individual activity.
- The learners must do the activity. Use the suggested answers to give feedback to the learners.

Suggested answers

1

Cash Receipts Journal of Pan Plumbers – April 20.8 **CRJ**

Doc	Day	Details	Fol	Analysis of receipts		Bank		Current income		Sundry accounts			
										Amount		Fol	Details
001	1	Peter Pan				80 000✓	–			80 000✓	–		Capital✓✓
CRR	8	Services rendered		4 800✓	–	4 800✓	–	4 800✓	–				
CRR	14	Services rendered		12 600✓		12 600✓	–	12 600✓	–				
CRR	25	Services rendered		15 800✓				15 800✓	–				
002		Johanna Radebe✓		500✓	–	16 300✓✓	–			500✓	–		Rent income✓✓
				–		**113 700✓**	–	**33 200✓**	–	**80 500✓**	–		

Review Copy

2

Assets		= Owner's Equity	
Effect	Reason	Effect	Reason
1. +80 000✓	Bank increases✓	+80 000✓	Capital✓
25. +15 800✓	Bank increases✓	+15 800✓	Current income✓
25.+500✓	Bank increases✓	+500✓	Rent income✓

3 Cash, fixed assets and borrowed capital (any 2 × 2 = 4)

4 Cheque account✓✓

Total: 40 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 40 and give them feedback on their performance to prepare them for formal assessment.

Unit 2 Cash Payments Journal (services)

Learner's Book pages 109–120

Unit overview

In this unit learners:
- are introduced the concept of a Cash Payments Journal (CPJ) of a service business
- are shown the formats and the uses of columns in the CPJ
- find out about the source documents used to complete a CPJ
- enter cash transactions in the CPJ
- close off the CPJ
- examine the effect of cash transactions on the accounting equation
- enter combined transactions is the CRJ and CPJ.

Review Copy

Teaching guidelines

- At this stage the learners have to know how to prepare a Cash Receipts Journal.
- Explain to the learners the format of the CPJ and the purpose of the analysis columns.
- Do an example of recording of transactions in the CPJ with the class. Ask learners to record transactions in the CPJ and go through their answer the next day.

Tip! When you go through the combinations of the CRJ and CPJ, let the learners write after each transaction, CRJ for cash receipts and CPJ for cash payments. This will help guide them on where to record the transactions.

Background knowledge
Recording of cash received transactions in the Cash Receipts Journal (CRJ)

Activity 1 Complete a CPJ

Learner's Book page 111

Guidelines to implement this activity

- This is an individual activity.
- Go through the content in the Learner's Book and let the learners complete the activity.
- Ask a few learners to write the headings of the Cash Payments Journal on the board and explain the use of the analysis columns.

Suggested answers

1 Learners' answers will differ.
1.1 Electrician: electrical wire, tape, etc.✓
1.2 Plumber: pipes, etc.✓
1.3 Doctor: surgical gloves, plasters, etc.✓
1.4 Landscaper: plants, soil, etc.✓
1.5 Hairdresser: shampoo, conditioner, etc.✓ (5)

2

Cash Payments Journal of ABC Electricians✓ for March 20.8✓ **CPJ**

Doc ✓	Day ✓	Name of payee	Fol ✓	Bank ✓	Wages ✓	Material costs ✓	Sundry accounts✓		
							Amount ✓	Fol ✓	Details ✓

(12)

Total: 19 marks

Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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 The learner(s):	Yes	Partly	No
• followed the instructions in the Learner's Book and understood what to do			
• can complete the headings of a Cash Payments Journal and the use of analysis columns.			

Activity 2 Choose the correct source document

Learner's Book page 111

Guidelines to implement this activity

- This is an individual activity.
- Explain the different source documents for recording transactions in the Cash Payments Journal. Then get learners to do the activity.
- Mark the activity with the learners.

Suggested answers

1
1.1 Cheque counterfoil✓
1.2 Bank statement✓
1.3 Bank statement✓
1.4 Cheque counterfoil✓
1.5 Cheque counterfoil✓
1.6 Cheque counterfoil✓
1.7 Bank statement✓
2 If a business has short-term cash flow problems, ✓ they can go to the bank and apply for an overdraft.✓ The business will owe the money to the bank and will have to pay interest.✓

Total: 10 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can differentiate between the different source documents used in the CPJ			
• know what is a bank overdraft			

Review Copy

Activity 3 Prepare Cash Payments Journal

Learner's Book page 114

Guidelines to implement this activity

- This is an individual activity.
- Work through the example in the Learner's Book and then let the learners do the activity.
- Ask a learner to do the answers on the board.
- Use the mark allocation to show them how you would award marks if it were a formal assessment.

Background knowledge
Format of a CPJ and source documents used to record cash payments in the CPJ

Suggested answers

Cash Payments Journal of Rossouw Hairdressers for August 20.9 **CPJ**

Doc	Day	Name of payee	Fol	Bank	Statio-nery	Wages	Material costs	Sundry accounts		
								Amount	Fol	Details
001	1	City council		5 600✓				5 600✓		Trading licence✓
002	2	Star Properties		6 800✓				6 800✓		Rent expense✓
003	7	Snow Wholesalers		25 300✓				25 300✓		Equipment✓
004	9	Steyn Traders		4 800✓				4 800✓		Equipment✓
005	11	Cash✓		450✓				450✓		Cash float✓
006	12	Ruby Traders		1 310✓			1 310			
007	14	Cash		800✓		800✓				
008	15	Cash		400✓				400✓		Drawings✓✓
009	22	Gauteng Insurers		980✓				980✓		Insurance✓
010	23	SL Traders		1 400✓	1 400✓					
011	25	Cash		800✓		800✓				
012	28	City council		2 850✓				2 850✓		Water and electricity✓
✓✓										

Review Copy

Total: 35 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 35 and give them feedback on their performance to prepare them for formal assessment.

Activity 4 Record transactions in the accounting equation

Learner's Book page 116

Guidelines to implement this activity

- This is an individual activity.
- Work through the examples in the Learner's Book and get the learners to do the activity.

Background knowledge
Make sure the learners understand the concepts: assets, owner's equity and expenses.

Suggested answers

Assets		= Owner's Equity	
Effect	**Reason**	**Effect**	**Reason**
3. –R5 600✓	Bank decreases✓	–R5 600✓	Trading license✓
4. –R6 800✓	Bank decreases✓	–R6 800✓	Rent expense✓
7. +R25 300 -R25 300✓	Equipment Bank decreases✓		
9.+R4 800 -R4 800✓	Equipment Bank decreases✓		
11. +R450 -R450✓	Cash float Bank decreases✓		
12. –R1 310✓	Bank decreases✓	–R1 310✓	Material costs✓
14. –R800✓	Bank decreases✓	–R800✓	Wages✓
15. –R400✓	Bank decreases✓	–R400✓	Drawings✓
22. –R980✓	Bank decreases✓	–R980✓	Insurance✓
23. –R1 400✓	Bank decreases✓	–R1 400✓	Stationery✓
25.-R800✓	Bank decreases✓	–R800✓	Wages✓
28. –R2 850✓	Bank decreases✓	–R2 850✓	Water and electricity✓

Total: 42 marks

Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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 The learner(s):	Yes	Partly	No
• followed the instructions in the Learner's Book and understood what to do			
• can show the effect of cash payments transactions on the accounting equation			

Activity 5 Enter transactions in CPJ, close off journal and record transactions in the accounting equation

Learner's Book page 116

Guidelines to implement this activity

- This is an individual activity.
- The learners must do the activity and show the answers on the board.

Background knowledge

Recording of cash payment transactions in the Cash Payments Journal and the effect on the accounting equation

Suggested answers

Cash Payments Journal of Rodney Electricians for March 20.8 **CPJ**

Doc	Day	Name of payee	Fol	Bank		Equipment		Wages		Material costs		Sundry accounts			
												Amount		Fol	Details
001	2	City council		3 500✓	–							3 500✓	–		Trading license✓
002	3	SR Properties		6 000✓	–							6 000✓	–		Rent expense✓
003	5	Nylster Traders		43 600✓	–	43 600✓	–								
004	6	Moon Traders		2 300✓	–					2 300✓	–				
005	8	Cash		1 200✓	–			1 200✓	–						
006	12	PR Distributors		15 060✓	–	14 500✓	–					560✓	–		Stationery✓
007	14	Moonlight Insurers		650✓	–							650✓	–		Insurance✓
008	15	Cash		1 600✓	–			1 200✓	–			400✓	–		Cash float✓
009	20	Moon Traders		5 310✓	–					5 310✓	–				
010	23	Telkom		960✓	–							960✓	–		Telephone✓
011	25	City council		1 870✓	–							1 870✓	–		Water and electricity✓
012	28	Cash		1 150✓	–			1 150✓	–						
013	30	Cash		300✓	–							300✓	–		Drawings✓
				83 500✓	–	**58 100✓**	–	**3 550✓**	–	**7 610✓**	–	**14 240✓**	–		

Review Copy

Assets		= Owner's Equity	
Effect	**Reason**	**Effect**	**Reason**
2. –R3 500✓	Bank decreases✓	-R3 500✓	Trading license✓
3. –R6 000✓	Bank decreases✓	-R6 000✓	Rent expense✓
5. +R43 600 –R43 600✓	Equipment Bank decreases✓		
6. –R2 300✓	Bank decreases✓	-R2 300✓	Material costs✓
8. –R1 200✓	Bank decreases✓	-R1 200✓	Wages✓
12.+R14 500✓	Equipment✓		
–R15 060✓	Bank decreases✓	-R560✓	Stationery✓
14. –R650✓	Bank decreases✓	-R650✓	Insurance✓
15. –R1 600✓✓ +R400✓✓	Bank decreases✓ Cash float✓✓	-R1 200✓✓	Wages✓
20. –R5 310✓	Bank decreases✓	-R5 310✓	Material costs✓
23. –R960✓	Bank decreases✓	-R960✓	Telephone✓
25. –R1 870✓	Bank decreases✓	-R1 870✓	Water and electricity✓
28. –R1 150✓	Bank decreases✓	-R1 150✓	Wages✓
30. –R300✓	Bank decreases✓	-R300✓	Drawings✓

Total: 100 marks

Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can record cash payments in the Cash Payments Journal			
• can show the effect of cash payments on the accounting equation			

Activity 6 Prepare a CPJ, close off the journal and record transactions in the accounting equation

Learner's Book page 117

Guidelines to implement this activity

- This is an individual activity.
- The activity tests if the learners can record cash payments from source documents into the Cash Payments Journal.

- It will be a good idea to do one transaction with the learners so they understand how a cheque counterfoil works.
- Let the learners record the rest of the transactions and mark the answers with them.

Background knowledge

Recording of cash payment transactions in the Cash Payments Journal and the effect on the accounting equation

Suggested answers

Cash Payments Journal of Maboka Garden Services for July 20.9 **CPJ**

Doc	Day	Name of payee	Fol	Bank		Material costs		Wages		Sundry accounts			
										Amount		Fol	Details
001	3	City council		3 000✓	–					3 000✓	–		Trading license✓
002	5	RNA Suppliers		12 670✓	–					12 670✓	–		Equipment✓
003	8	Ronel Stationers		210✓	–					210✓	–		Stationery✓
004	10	RSA Wholesalers		1 230✓	–	1 230✓	–						
005	12	Cash		480✓	–			480✓	–				
006	17	MN Garage		400✓	–					400✓	–		Fuel✓
007	21	Cash		200✓	–					200✓	–		Drawings✓
008	23	Malan & Seuns		1 840✓	–	1 840✓	–						
009	26	Cash		600✓	–			600✓	–				
010	28	Telkom		620✓	–					620✓	–		Telephone✓
				21 250✓	–	**3 070✓**	–	**1 080✓**	–	**17 100✓**	–		

Review Copy

Assets		= Owner's Equity	
Effect	**Reason**	**Effect**	**Reason**
3. –R3 000✓	Bank decreases✓	–R3 000✓	Trading license✓
5. +R12 670 -R12 670✓	Equipment Bank decreases		
8. –R210✓	Bank decreases✓	–R210✓	Stationery✓
10. –R1 230✓	Bank decreases✓	–R1 230✓	Material costs✓
12.-R480✓	Bank decreases✓	–R480✓	Wages✓
17.-R400✓	Bank decreases✓	–R400✓	Fuel✓
21. –R200✓	Bank decreases✓	–R200✓	Drawings✓
23.-R1 840✓	Bank decreases✓	–R1 840✓	Material costs✓
26.-R600✓	Bank decreases✓	–R600✓	Wages✓
28.-R620✓	Bank decreases✓	–R620✓	Telephone✓

Total: 70 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can record cash payments from source documents to the Cash Payments Journal			

Activity 7 Enter combined transactions in the CRJ and CPJ

Learner's Book page 118

Guidelines to implement this activity

- This is an individual activity.
- Start by separating the transactions into two categories, namely cash received by the business and cash paid out by the business.
- The learners can decide how they want to record the transactions. They can first prepare the Cash Receipts Journal and then the Cash Payments Journal, or they can do transaction by transaction in the different cash journals. When they have recorded the transactions, close off the cash journals at the end of the month.

Review Copy

Background knowledge
Up until now learners have worked with the CRJ and CPJ separately. This activity is a combination of the two journals.

Suggested answers

Day	Transaction	Cash received or cash paid	Cash received = CRJ Cash paid = CPJ
1	The owner, John Jantjies, deposited R150 000 directly into the bank account in the business as capital contribution. Issued receipt 001.	Cash received✓	CRJ✓
3	Paid the city council R4 600 for the trading license with cheque 001.	Cash paid✓	CPJ✓
5	Bought a bakkie for R90 000 from MN Motors and paid with cheque 002.	Cash paid✓	CPJ✓
	Bought equipment from Radebe Traders and paid with cheque 003, R29 600.	Cash paid✓	CPJ✓
6	Bought material costs from Mango Ltd. and paid with cheque 004, R3 870.	Cash paid✓	CPJ✓
7	Received R1 800 from M Snow for services rendered. Issued receipt 002.	Cash received✓	CRJ✓
9	Paid wages by cashing cheque 005 for R1 450.	Cash paid✓	CPJ✓
12	Received R2 100 from P Abrahams for services rendered. Issued receipt 003.	Cash received✓	CRJ✓
	Received R4 800 from D Davids for services rendered. Issued receipt 004.	Cash received✓	CRJ✓
14	Paid R6 200 to Naidoo Properties for the rent of a building and issued cheque 005.	Cash paid✓	CPJ✓
17	Paid Arrow Insurers R1 250 for the monthly insurance with cheque 006.	Cash paid✓	CPJ✓
19	Bought stationery for R460 from SP Traders and paid with cheque 007.	Cash paid✓	CPJ✓
21	The owner increased his capital contribution to R160 000 by depositing the money into the bank account of the business. Issued receipt 005.	Cash received✓	CRJ✓
24	Paid with cheque 008 to the city council for the water and electricity account, R1 430.	Cash paid✓	CPJ✓
	Paid wages by cashing cheque 009 for R1 480.	Cash paid✓	CPJ✓
26	The owner paid R380 to Beauty Florists to send flowers to his wife for her birthday. Paid with cheque 010.	Cash paid✓	CPJ✓
28	Received R6 800 from A Thompson for services rendered. Issued receipt 005.	Cash received✓	CRJ✓
30	Bought equipment from Radebe Traders for R12 500 and paid with cheque 011.	Cash paid✓	CPJ✓
	Paid R640 To Daily News for advertising costs and paid with cheque 012.	Cash paid✓	CPJ✓
	According to the bank statement received from Security Bank, the business received R210 interest on the current bank account.	Cash received✓	CRJ✓

Review Copy

Cash Receipts Journal Speedy Plumbers for April 20.8 **CRJ**

Doc	Day	Details	Fol	Analysis of receipts	Bank	Current income	Sundry accounts		
							Amount	Fol	Details
001	1	John Jantjies			150 000✓ –		150 000✓ –		Capital✓
002	7	M. Snow		1 800✓ –	1 800✓ –	1 800✓ –			
003	12	P. Abrahams		2 100✓ –		2 100✓ –			
004		D. Davids		4 800✓ –	6 900✓ –	4 800✓ –			
005	21	John Jantjies			10 000✓ –		10 000✓ –		Capital✓
006	28	A.Thompson		6 800✓ –	6 800✓ –	6 800✓ –			
BS	30	Security Bank			210✓ –		210✓ –		Interest on current bank account✓
					175 710✓ – ✓	**15 500✓ –**	**160 210✓ –**		

Cash Payments Journal of Maboka Garden Services for July 20.9 **CPJ**

Doc	Day	Name of payee	Fol	Bank	Material costs	Wages	Sundry accounts		
							Amount	Fol	Details
001	3	City council		4 600✓ –			4 600✓ –		Trading license✓
002	5	MN Motors		90 000✓ –			90 000✓ –		Vehicles✓
003		Radebe Traders		29 600✓ –			29 600✓ –		Equipment✓
004	6	Mango Ltd.		3 870✓ –	3 870✓ –				
005	9	Cash		1 450✓ –		1 450✓ –			
006	14	Naidoo Properties		6 200✓ –			6 200✓ –		Rent expense✓
007	17	Arrow Insurers		1 250✓ –			1 250✓ –		Insurance✓
008	19	SP Traders		460✓ –			460✓ –		Stationery✓
009	24	City council		1 430✓ –			1 430✓ –		Water and electricity✓
010		Cash		1 480✓ –		1 480✓ –			
011	26	Beauty Florists		380✓ –			380✓ –		Drawings✓
012	30	Radebe Traders		12 500✓ –			12 500✓ –		Equipment✓
013		Daily News		640✓ –			640✓ –		Advertising✓
				153 860✓ –	**3 870✓ –**	**2 930✓ –**	**147 060✓ –**		

Review Copy

Assets		= Owner's Equity	
Effect	**Reason**	**Effect**	**Reason**
1.+R150 000✓	Bank increases✓	+R150 000✓	Capital contribution✓
3. –R4 600✓	Bank decreases✓	-R4 600✓	Trading license✓
5. +R90 000 -R90 000✓	Vehicles Bank decreases✓		
6. –R3 870✓	Bank decreases✓	-R3 870✓	Material costs✓
9. –R1 450✓	Bank decreases✓	-R1 450✓	Wages✓
14.-R6 200✓	Bank decreases✓	-R6 200✓	Rent expense✓
17. –R1 250✓	Bank decreases✓	-R1 250✓	Insurance✓
26.-R380✓	Bank decreases✓	-R380✓	Drawings✓

Total: 132 marks

Assessment guidelines

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

Review Copy

Criteria	Yes	Partly	No
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can record cash transactions in the journals			
• can show the effect of cash transactions on the accounting equation.			

Activity 8 Enter combined transactions in the CRJ and CPJ

Learner's Book page 119

Guidelines to implement this activity

- This is an individual activity.
- Give the activity to the learners. Once they have completed the activity, go through the answers with them as a class.

Background knowledge

Up until now learners have worked with the CRJ and CPJ separately. This activity is a combination of the two journals.

Suggested answers

Cash Receipts Journal Samantha Hairdressers for April 20.8 **CRJ**

Doc	Day	Details	Fol	Analysis of receipts		Bank		Current income		Sundry accounts			
										Amount		Fol	Details
001	1	Samantha Smith				250 000✓	–			250 000✓			Capital✓
002	8	Jillian Botha		4 850✓	–					4 850✓	–		Rent income✓
CRR		Cash		6 800✓	–	11 650✓✓	–	6 800✓	–				
CRR	19	Cash		22 200✓	–	22 200✓	–	22 200✓	–				
CRR	28	Cash		19 760✓	–	19 760✓	–	19 760✓	–				
✓		✓				**303 610✓**	–	**48 760✓**	–	**254 850✓**			

Cash Payments Journal of Samantha Hairdressers for July 20.9 **CPJ**

Doc	Day	Name of payee	Fol	Bank		Material costs		Wages		Sundry accounts			
										Amount		Fol	Details
001	2	City council		6 320✓	–					6 320✓	–		Trading license✓
002	3	Barend Traders		18 400✓	–					18 400✓	–		Equipment✓
003	5	Shirley Wholesalers		3 280✓	–	3 280✓	–						
004	6	Allan Suppliers		4 890✓	–					4 890✓	–		Equipment✓
005	8	Cash		450✓	–					450✓	–		Cash float✓
006	9	Cash		560✓	–			560✓	–				
007	13	City council		1 280✓	–					1 280✓	–		Water and electricity✓
008	18	RSA Insurers		1 340✓	–					1 340✓	–		Insurance✓
009	21	Samantha Smith		2 400✓	–					2 400✓	–		Drawings✓
010	24	Telkom		860✓	–					860✓	–		Telephone✓
011	26	Cash		600✓	–			600✓	–				
012	30	S. Arendse		10 500✓	–					10 500✓	–		Salaries✓
✓		✓		**50 880✓**	–	**3 280✓**	–	**1 160✓**	–	**46 440✓**	–		

Review Copy

Total: 60 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 60 and give them feedback on their performance to prepare them for formal assessment.

Activity 9 Apply what you have learnt

Learner's Book page 120

Guidelines to implement this activity

- This is a group activity.
- This is a fun activity. Allow learners to enjoy it.
- Divide the class into groups of four to five. Each group must think of a service business and then do the following:
  - draw up five cheque counterfoils which represent any five payments the business can make. Give the learners empty documents.
  - draw up five receipts/and or cash register rolls that represent five amounts of cash received. Give the learners empty documents.
  - draw up a Cash Receipts and Cash Payments Journal from the records of their documents.
- Once learners have completed the first part of the activity they must swop with another group and record their business's CRJ and CPJ from their documents. Let the group mark each other's work.

Review Copy

Background knowledge
Recording of transactions in the CRJ and CPJ

Suggested answers

- Learners' answers will differ.

Assessment guidelines

- This activity is intended for informal assessment.
- Use the marking rubric on the next page to assess learners.

Criteria	Excellent 4 marks	Good 3 marks	Average 2 marks	Needs help 1 mark
Cheque counterfoils	Five counterfoils were correctly filled in and the amounts were realistic.	Five counterfoils were correctly filled in and the amounts were not realistic.	Three counterfoils were correctly filled in and the amounts were realistic.	Three counterfoils were correctly filled in and the amounts were not realistic.
Receipts/and or cash register rolls	Five receipts/ and or cash register rolls were completed and amounts were realistic.	Five receipts/ and or cash register rolls were completed and amounts were not realistic.	Three receipts/ and or cash register rolls were completed and amounts were realistic.	Three receipts/ and or cash register rolls were completed and amounts were not realistic.
Recording in the CRJ	All five documents were correctly recorded.	Four documents were correctly recorded.	Three documents were correctly recorded.	Two documents were correctly recorded.
Recording in the CPJ	All five documents were correctly recorded.	Four documents were correctly recorded.	Three documents were correctly recorded.	Three documents were correctly recorded.
Recording into the CRJ and CPJ from other group.	All documents were correctly recorded.	Three quarter of the documents were correctly recorded.	Half of the documents were correctly recorded.	A quarter of the documents were correctly recorded.
Total marks				**20 marks**

Review Copy

Unit 3 Forms of ownership

Learner's Book pages 121–129

Unit overview

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.

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 and to clarify their understanding of forms of business ownership.
- Each learner should keep full sentence answers in their exercise books for revision purposes.

Activity 1 Compare sole trader and partnership forms of business ownership

Learner's Book page 124

Guidelines to implement this activity

- This is a pair activity.
- Learners answer the questions in their exercise books.

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 is entirely responsible ✓for the business but also gets all the profits.✓ The owner is personally responsible for paying income tax on earnings.✓ (Maximum of 5 marks)

2 **In a partnership** there are between 2 and 20 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.✓ (Maximum of 5 marks)
Learners give two examples of local sole traders and partnership businesses. (Maximum of 4 marks)

Total: 14 marks

Review Copy

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 2 Choose a suitable form of business ownership

Learner's Book page 126

Guidelines to implement this activity

- This is an individual activity.
- Learners should write their essays in their exercise books for assessment.
- Their essays must have an introduction, a body and a conclusion.

Suggested answers

The content of learners' essays will vary, however they should follow this format:

- Introductory paragraph outlining the challenge of choosing a suitable form of business ownership. (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 be that the friends start a private company✓ because:
    - They are the minimum number for a private company (seven) ✓
    - 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 leave for any reason ✓✓
    - Their personal assets will be protected and liability will be shared. ✓✓ (Max 20)
- 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: 30 marks

Review Copy

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.

PoA Case study Dimension Data

Read the above report by Dimension Data CEO, Brett Dawson, once again and answer the questions below.

1 Describe your understanding of sustainable business and its relationship to creating sustainable jobs. (5)

2 From the information above, do you think that Dimension Data is a good role model for business regarding creating sustainable jobs? Explain your opinion. (10)

3 Explain your opinion about the statement that 'unemployment must be the greatest socioeconomic problem facing South Africa'. (15)

[30 marks]

Guidelines to implement this activity

- This is an individual activity.
- The answers require learners to articulate their personal understanding of the text, the problems surrounding sustainable job creation, and possible solutions. Be sensitive to personal circumstances and points of view of individual learners.

Suggested answers

1 This answer requires learners to state their understanding of the relevant text in their own words. (5)

2 The answer here must be 'Yes'✓ because, from small beginnings ✓ Dimension Data has grown into a multi-national business✓ employing over 14 000 people✓ over a sustained period of 30 years.✓ (10)

3 Learners must express their personal views on the statement and support it with a logical explanation of their reasoning. (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 15 and give them feedback on their performance.

Review Copy

Activity 3 Discuss manufacturing

Learner's Book page 128

Guidelines to implement this activity

- This is a group andclass activity.
- Allow learners to hold group discussions and then contribute to a general class discussion controlled by you.

Suggested answers

1 To provide jobs for the unemployed; to grow South Africa's economy; to increase the government's source of revenue through income tax, etc. (At least 2 × 2) (4)

2 Any two of: more efficient government; better educated and trained labour force; revisedlabour regulations that encourage labour market efficiency. (2 × 2) (4) **[8]**

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.

Activity 4 Write a report on environmental problems

Learner's Book page 129

Guidelines to implement this activity

- This is a pair activity and a class activity.
- There are various stages in this activity. The first stage requires learners 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.

Review Copy

Suggested answers

1 Learners provide a list of environmental problems (minimum of 5) drawn from researched information. (Max 5)
- Learners provide statistics, graphs and illustrations to support lists. (Max 5 per item × 5) (30)

2 In the class discussion, learners suggest ways in which businesses (and individuals) could use natural resources in a sustainable way, based on their research.

3 Learners report is based on research with added information from the class discussion, with recommendations on how businesses and individuals can address the identified problems. (20)

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.

Term 4 Entrepreneurship and financial literacy

Core concepts covered

UNIT 1
Levels and functions of management

Term 4: Entrepreneurship and financial literacy

UNIT 2
General Ledger and trial balance (service)

Term overview

In this term learners focus on entrepreneurship and financial literacy. They look at different levels of management and the various management tasks, such as planning, organizing, leading and controlling. They also discover different styles of management. They also look at the General Ledger and trial balance: they learn about the double entry principle, the 'T' accounts, opening accounts in the General Ledger, balancing the General Ledger and preparing a trial balance of a service business.

Review Copy

Content

Unit No.	Content	Pacing (Time allocation)	LB page	TG page
1	Entrepreneurship: Levels and functions of management	4 hours	137	96
2	Financial literacy: General Ledger and trial balance (service)	7 hours	144	99

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
End-of-year examination	End-of-year examination	169	143	Memorandum	127

Resources

Grade 8 Learner's Book, copies of local and Sunday newspapers, magazines

Unit 1 Levels and functions of management

Learner's Book pages 137–143

Unit overview

In this unit learners cover the levels and functions of management, particularly as they apply to medium and large businesses that employ many people. They focus on the management tasks of planning, organising, leading and controlling, as well as the characteristics of good management. Finally, the unit covers different styles of management – namely, autocratic, permissive, democratic and participatory.

Teaching guidelines

Make sure learners understand all the terms used in this unit. It might be a good idea to have a class dictionary available for learners to refer to during the course of the unit.

Activity 1 Review management tasks

Learner's Book page 140

Review Copy

Guidelines to implement this activity

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

Suggested answers

1 Planning at top management level is strategic✓ and focuses on the overall goals and direction of the business.✓Planning at middle management level focuses on breaking down the overall vision and goals✓ of top management into work units.✓ At lower management levels, planning focuses on translating function goals✓ into specific job goals.✓ (6)

2 Managers organise activities by dividing the work into separate activities✓, and allocating the activities to individuals or teams✓. (2)

3 Setting a good example✓; being on time✓; paying attention to detail✓; treating colleagues and customers courteously✓; praising people when they do a job well✓; giving criticism in a constructive and helpful way✓. (Maximum of 5 marks)

4 Learners' answers will vary. Examples include the importance of controlling activities to keep the business on track towards reaching its goals; making sure that people have work to do; making sure that people are confident of their ability to do the job well, or arranging further training; making sure that workers are happy in their work environment. (Accept any 2 of the above answers.)

Total: 15 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied to assess learners informally. Allocate learners a mark out of 15 and give them feedback on their performance to prepare them for formal assessment.

Activity 2 Explore democratic and autocratic leadership

Learner's Book page 143

Guidelines to implement this activity

- This is a group activity (five or six learners to a group).
- Learners conduct their brainstorming sessions in their groups.
- They each record the agreed list of characteristic of a democratic manager and the differences between a manager and a leader in their exercise books.

Suggested answers

1 Sally is a democratic leader✓ and Elaine is an autocratic leader✓.

2 Lists should include: consultative✓, participatory✓, good listener✓, communicative✓.

3 Elaine wants to make decisions herself, quickly and decisively✓. Sally wants to get the opinions of others✓, to discuss the options, and come to a decision that meets with at least the majority's agreement✓✓.

4 Learners' answers will vary. Neither is actually better because it depends on the kind of decision to be taken. Democratic decision-making ensures 'buy-in' from everyone concerned, but it may not be the best decision for the business, or be one that is arrived at quickly. Autocratic decision-making can be annoying and offensive to many people, but may be necessary when tough decisions must be made✓✓✓✓.

5 Groups make suggestions that must be supported by sound reasons. For example, when the business is facing a crisis and must find quick solutions to prevent it from closing down ✓✓.

6 A manager is able to carry out the planning, organising, leading and controlling activities required from a manager✓. A leader is able to communicate a vision and motivate staff by example✓.

7 Ideally, all managers should have leadership qualities because if a manager does not have the expertise and ability to communicate a strong vision, the business can fall apart✓✓. Likewise, if a leader is not also a strong manager, there is a risk that the business will lose its focus and direction✓.

Total: 19 marks

Review Copy

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
Each learner has:			
• Participated in two brainstorming sessions with a small group			
• Agreed answers to all questions with the group			
• Recorded lists and notes as instructed			

Unit 2 General Ledger and trial balance (service)

Learner's Book pages 144–162

Unit overview

In this unit learners will:
- post the subsidiary journals to the General Ledger accounts
- balance accounts
- prepare a trial balance.

Teaching guidelines

- At this stage, learners should be able to record cash transactions in the CRJ and CPJ and close off the journals at the end of the month.
- Show learners the accounting cycle and point out that the next posting to the General Ledger and preparing a trial balance at the end of the month.
- Emphasise that posting is done according to the double entry principle. If need be, revise the double entry principle with learners.
- Explain to learners that the General Ledger consists of two sections. Describe what is under each section.
- Remind learners of the five accounting rules (listed in the box on page 146 in the Learner's Book) before you do the posting to the General Ledger.
- Learners often struggle with the balancing of the bank account. Give them plenty of activities on this.
- Explain the format of the trial balance. It might be a good idea for you to test learners on the trial balance.

Review Copy

Tip! This unit covers the final stage in the accounting cycle. Make sure learners understand and can do all the steps in the accounting cycle.

Background knowledge
- Recording cash transactions in the CRJ and CPJ and closing off the journals at the end of the month
- The accounting cycle

Activity 1 Fill in the missing words

Learner's Book page 145

Guidelines to implement this activity

- This is an individual activity.
- Go through the content in the Learner's Book and then get learners to complete the activity.
- Give learners feedback on the answers.

Suggested answers

1 double entry principle✓
2 T✓
3 debit side; credit side✓✓
4 debit; credit✓✓ **Total: 6 marks**

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• understand the double entry principle			

Activity 2 Work with the General Ledger

Learner's Book page 146

Review Copy

Guidelines to implement this activity

- This is an individual activity.
- Explain the format of a General Ledger.
- Give different learners a chance to open accounts on the board.

Background knowledge
Double entry principle

Suggested answers

1 Balance sheet accounts section✓ and nominal accounts section✓
2
Balance sheet accounts section

Owner's equity accounts✓	Capital ✓
	Drawings ✓
Tangible assets✓	Land and buildings ✓
	Equipment ✓
	Vehicles ✓
Current assets✓	Trading stock ✓ (this will be discussed in Grade 9)
Bank ✓ (debit balance, this means, the business has money in the business)✓	
	Cash float ✓
	Debtors' control ✓ (will be discussed in Grade 9)
Current liabilities✓	Creditors' control ✓ (will be discussed in Grade 9)
Bank (credit balance)✓ – bank with a credit balance is when bank is in overdraft. ✓	

Nominal accounts section
Income accounts
Expense accounts

3

General Ledger of Sophy Hairdressers✓
Balance sheet accounts section ✓

Dr **Capital** **B1** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

Dr✓ **Vehicles✓** **B2✓** **Cr ✓**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount

Nominal accounts section✓

Dr✓ **Current income✓** **N1✓** **Cr ✓**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount

Dr✓ **Salaries✓** **N2✓** **Cr ✓**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount

Review Copy

(25)

4

Income		29 000 ✓
Current income	25 000 ✓	
Rent income	4 000 ✓	
Minus: expenses		(13 8000 ✓
Material costs	1 000 ✓	
Water and electricity	800 ✓	
Wages and salaries	12 000 ✓	
Net profit		15 200 ✓

(8)

Total: 52 marks

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can open accounts in the General Ledger			

Activity 3 Post transactions to the General Ledger

Learner's Book page 149

Guidelines to implement this activity

- This is an individual activity.
- Give the learners the accounts which they have to open in the General Ledger.
- Do one or two transactions with them on the board and let them complete the activity.
- Once they have completed the activity, go through the answers with the class.

Background knowledge
Opening ledger accounts

Suggested answers

Review Copy

General Ledger of Maseko Electricians✓

Balance sheet accounts section ✓

Dr✓ Capital✓ B1✓ Cr ✓

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
					Mar	1	Bank ✓		135 000

Dr Drawings B2 Cr

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Mar	24	Bank ✓		2 400 ✓					

Dr Vehicles B3 Cr

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Mar	16	Bank ✓		73 000 ✓					

Dr Equipment B4 Cr

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Mar	4	Bank ✓		31 800 ✓					

Dr **Bank** **B5** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Mar	1	Capital ✓		135 000 ✓	Mar	2	Trading license ✓		3 200 ✓
	10	Current income ✓		7 860 ✓		4	Equipment ✓		31 800 ✓
						6	Material costs ✓		4 890 ✓
						14	Insurance ✓		850 ✓
						16	Vehicles ✓		73 000 ✓
						19	Fuel ✓		680 ✓
						21	Wages ✓		1 900 ✓
						24	Drawings ✓		2 400 ✓
						26	Telephone ✓		1 260 ✓

Nominal accounts section

Dr **Current income** **N1** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
					Mar	10	Bank ✓		7 860 ✓

Dr **Trading license** **N2** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Mar	2	Bank ✓		3 200 ✓					

Dr **Material costs** **N3** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Mar	6	Bank ✓		4 890 ✓					

Dr **Insurance** **N4** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Mar	14	Bank ✓		850 ✓					

Dr **Fuel** **N5** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Mar	19	Bank ✓		680 ✓					

Dr **Wages** **N6** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Mar	21	Bank ✓		1 900 ✓					

Dr **Telephone** **N7** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Mar	26	Bank ✓		1 260 ✓					

Total: 50 marks

Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can record transactions directly into the ledger accounts			

Remedial activity Post transactions to the General Ledger

Guidelines to implement this activity

- This is an individual activity.
- If learners struggle to post directly into the ledger accounts, get them to do this activity.
- Do one or two transactions with them and then let them complete the activity.
- Once they have completed the activity, go through the entire activity on the board with them.

Review Copy

Background knowledge
Opening ledger accounts

Information:
John Plaatjies Speedy Plumbers on 1 April 20.8. Post the following transactions directly into the ledger account.

Transactions: April 20.8

1 The owner, John Jantjies, deposited R150 000 directly into the bank account in the business as capital contribution. Issued receipt 001.
3 Paid the city council R4 600 for the trading license with cheque 001.
5 Bought a bakkie for R90 000 from MN Motors and paid with cheque 002.
Bought equipment from Radebe Traders and paid with cheque 003, R29 600.
6 Bought material costs from Mango Ltd. and paid with cheque 004, R3 870.
7 Received R1 800 from M Snow for services rendered. Issued receipt 002.
9 Paid wages by cashing cheque 005 for R1 450.
12 Received R2 100 from P Abrahams for services rendered. Issued receipt 003.
Received R4 800 from D Davids for services rendered. Issued receipt 004.
14 Paid R6 200 to Naidoo Properties for the rent of a building and issued cheque 006.
17 Paid Arrow Insurers R1 250 for the monthly insurance with cheque 007.
19 Bought stationery for R460 from SP Traders and paid with cheque 008.

21 The owner increased his capital contribution to R160 000 by depositing the money into the bank account of the business. Issued receipt 005.
24 Paid with cheque 009 to the city council for the water and electricity account, R1 430.
Paid wages by cashing cheque 010 for R1 480.
26 The owner paid R380 to Beauty Florists for flowers sent to his wife on her birthday. Paid with cheque 011.
28 Bought equipment from Radebe Traders for R12 500 and paid with cheque 012.
30 Paid R640 to Daily News for advertising costs, cheque 013.
According to the bank statement received from Security Bank, the business received R210 interest on the current bank account.

Suggested solution:

General Ledger of Speedy Plumbers
Balance sheet accounts section

Dr **Capital** **B1** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
					Apr	1	Bank		150 000
						21	Bank		10 000

Dr **Drawings** **B2** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	26	Bank		380					

Dr **Vehicles** **B3** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	5	Bank		90 000					

Dr **Equipment** **B4** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	5	Bank		29 600					
	28	Bank		12 500					

Review Copy

Dr **Bank** **B5** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	1	Capital		150 000	Apr	3	Trading license		4 600
	7	Current income		1 800		5	Vehicles		90 000
	12	Current income		2 100			Equipment		29 600
		Current income		4 800		6	Material costs		3 870
	21	Capital		10 000		9	Wages		1 450
	30	Interest on bank		210		14	Rent expense		6 200
						17	Insurance		1 250
						19	Stationery		460
						24	Water and electricity		1 430
							Wages		1 480
						26	Drawings		380
						28	Equipment		12 500
						30	Advertising		640

Nominal accounts section

Dr **Current income** **N1** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
					Apr	7	Bank		1 800
						12	Bank		2 100
							Bank		4 800

Review Copy

Dr **Trading license** **N2** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	3	Bank		4 600					

Dr **Material costs** **N3** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	6	Bank		3 870					

Dr **Insurance** **N4** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	17	Bank		1 250					

Dr **Rent expense** **N5** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	14	Bank		6 200					

Dr **Wages** **N6** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	9	Bank		1 450					
	24	Bank		1 480					

Dr **Stationery** **N7** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	19	Bank		460					

Dr **Water and electricity** **N8** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	24	Bank		1 430					

Dr **Interest on current bank account** **N9** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
					Apr	30	Bank		210

Dr **Advertising** **N10** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Apr	30	Bank		640					

Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can record transactions directly into the ledger accounts			

Activity 4 Post transactions to the General Ledger

Learner's Book page 152

Guidelines to implement this activity

- This is an individual activity.
- Go through the content with the learners. Learners can do the worked example in their exercise books.
- Get learners to do the activity.
- Once they have completed the activity, go through the answers with them on the board.

Background knowledge

- Cash Receipts Journal and Cash Payments Journal
- Double entry principle

Suggested answers

General Ledger of Jolene Hairdressers
Balance sheet accounts section

Dr Capital B1 Cr

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
					Jun	1	Bank ✓	CRJ	200 000 ✓

Dr Drawings B2 Cr

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Jun	30	Bank ✓	CPJ	5 200 ✓					

Dr Land and building B3 Cr

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Jun	3	Bank ✓	CPJ	110 000 ✓					

Dr Equipment B4 Cr

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Jun	30	Bank ✓	CPJ	16 000 ✓					

Dr Bank B5 Cr

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Jun	30	Total ✓ receipts	CRJ	237 100 ✓	Jun	30	Total payments	CPJ	170 660

Review Copy

Dr **Cash float** **B4** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Jun	15	Bank ✓	CPJ	600 ✓						

Nominal accounts section

Dr **Current income** **N1** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
						Jun	30	Bank ✓	CRJ	33 100 ✓

Dr **Rent income** **N2** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
						Jun	8	Bank	CRJ	4 000

Dr **Wages** **N3** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Jun	30	Bank	CPJ	2 590 ✓						

Dr **Material costs** **N4** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Jun	30	Bank ✓	CPJ	4 800 ✓						

Dr **Trading license** **N5** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Jun	2	Bank ✓	CPJ	6 800 ✓						

Dr **Stationery** **N6** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Jun	4	Bank ✓	CPJ	420 ✓						
	24	Bank ✓	CPJ	1 050 ✓						

Dr **Telephone** **N7** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Jun	21	Bank ✓	CPJ	2 600 ✓						

Dr **Insurance** **N8** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Jun	13	Bank ✓	CPJ	8 800 ✓						

Review Copy

Dr			Water and electricity		N9		Cr		
Date	**Day**	**Details**	**Fol**	**Amount**	**Date**	**Day**	**Details**	**Fol**	**Amount**
Jun	27	Bank ✓	CPJ	3 300 ✓					

Dr			Salaries		N10		Cr		
Date	**Day**	**Details**	**Fol**	**Amount**	**Date**	**Day**	**Details**	**Fol**	**Amount**
Jun	30	Bank ✓	CPJ	8 500 ✓					

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can open the ledger accounts			
• can post the cash journals to the ledger accounts			

Review Copy

Activity 5 Balance accounts

Learner's Book page 155

Guidelines to implement this activity

- This is an individual activity.
- The aim of the activity is for learners to balance ledger accounts.
- Do a lot of activities on how to balance the bank account.

Background knowledge
Opening of General Ledger accounts and posting from the cash journals to the General Ledger accounts

Suggested answers

General Ledger of Rondebosch Garden Services
Balance sheet accounts section

Dr			Capital		B1		Cr		
					20.8Nov	**1**	**Bank**	**CRJ**	**35 000**
						27	Bank	CRJ	15 000
									50 000 ✓

Dr				Bank			B4 Cr		
20.8 Nov	**30**	**Total receipts**	**CRJ**	**34 200**	**20.8Nov**	**30**	**Total payments**	**CPJ**	**28 380**
							Balance ✓	c/d	5 820 ✓
				34 200					34 200
20.8 Dec	1	Balance	b/d	5 820 ✓					

Nominal accounts section

Dr				Stationery			N8	Cr	
20.8 Nov	**12**	**Bank**	**CPJ**	**1 380**					
	25	Bank	CPJ	400					
				1 780 ✓					

Assessment guidelines

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

Review Copy

Criteria	Yes	Partly	No
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can balance ledger accounts			

Activity 6 Open accounts, post to the General Ledger and balance accounts

Learner's Book page 156

Guidelines to implement this activity

- This is an individual activity.
- Tell the learners which accounts to open in the General Ledger.
- The learners need to post the cash journals to the ledger accounts.
- Ask a few learners to balance the accounts on the board.

Background knowledge

- Cash Receipts Journal and Cash Payments Journal
- Double entry principle

Suggested answers

General Ledger of Patel Attorneys
Balance sheet accounts section

Dr **Capital** **B1** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount	
						Aug	1	Bank ✓	CRJ	250 000 ✓	–

Dr **Drawings** **B2** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Aug	9	Bank ✓	CPJ	4 800 ✓	–					
	30	Bank ✓	CPJ	265 ✓	–					
				5 065 ✓	–					

Dr **Land and building** **B3** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Aug	3	Bank	CPJ	125 000 ✓	–					

Dr **Equipment** **B4** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Aug	31	Bank ✓	CPJ	27 840 ✓	–					

Dr **Bank** **B5** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Aug	31	Total receipts ✓	CRJ	329 350 ✓	–	Aug	31	Total payments	CPJ ✓	197 025 ✓
								Balance	c/d	132 325 ✓
				329 350	–					329 350 ✓
Sep	1	Balance	b/d	132 325 ✓	–					

Dr **Cash float** **B4** **Cr**

Date	Day	Details	Fol	Amount		Date	Day	Details	Fol	Amount
Aug	15	Bank ✓	CPJ	500 ✓	–					

Review Copy

Nominal accounts section

Dr **Current income** **N1** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
					Aug	31	Bank ✓	CRJ	73 350 ✓ –

Dr **Rent income** **N2** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
				–	Aug	10	Bank ✓	CRJ	6 000 ✓ –

Dr **Wages** **N3** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Aug	31	Bank ✓	CPJ	1 000 ✓ –					

Dr **Trading license** **N4** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Aug	2	Bank ✓	CPJ	9 400 –					

Dr **Stationery** **N5** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Aug	4	Bank ✓	CPJ	400 ✓ –					
	24	Bank ✓	CPJ	1 050 ✓ –					
				1 450 ✓ –					

Dr **Telephone** **N6** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Aug	19	Bank ✓	CPJ	1 670 ✓ –					

Dr **Insurance** **N7** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Aug	12	Bank ✓	CPJ	3 800 ✓ –					

Dr **Water and electricity** **N8** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Aug	27	Bank ✓	CPJ	2 800 ✓ –					

Dr **Salaries** **N9** **Cr**

Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount
Jun	30	Bank ✓	CPJ	18 500 ✓ –					

Total: 40 marks

Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied 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
The learner(s):			
• followed the instructions in the Learner's Book and understood what to do			
• can open the ledger accounts.			
• can post the cash journals to the ledger accounts.			
• can balance the ledger accounts			

Activity 7 Prepare a trial balance

Learner's Book page 158

Review Copy

Guidelines to implement this activity

- This is an individual activity.
- This is the last step in the accounting cycle.
- Go through the content in the Learner's Book with the learners and let them do the example in their exercise books.
- Emphasise to the learners that after adding up the debit and credit side, the answers must be the same (must balance).

Background knowledge

- Recording of cash transactions in the CRJ and CPJ and closing off the journals
- Posting the journals to the General Ledger accounts and balancing the accounts

Suggested answers

Trial Balance of Naidoo Dry Cleaners on 31 May 20.8 ✓

Balance sheet accounts section ✓	Fol	Debit	Credit
Capital	B1		150 000 ✓
Drawings	B2	1 450 ✓	
Equipment	B3	27 200 ✓	
Vehicles	B4	85 000 ✓	
Bank	B5	45 840 ✓	
Cash float	B6	500 ✓	
Nominal accounts section			
Current income	N1		32 800
Rent expense	N2	6 400 ✓	
Material costs	N3	3 380 ✓	
Wages	N4	1 820 ✓	
Salaries	N5	5 300 ✓	
Telephone	N6	880 ✓	
Water and electricity	N7	3 320 ✓	
Stationery	N8	1 710 ✓	
	✓	**182 800** ✓	**182 800** ✓

Total: 18 marks

Review Copy

Assessment guidelines

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

Criteria The learner(s):	Yes	Partly	No
• followed the instructions in the Learner's Book and understood what to do			
• can prepare a trial balance at the end of the month			

Activity 8 Prepare a trial balance

Learner's Book page 160

Guidelines to implement this activity

- This is an individual activity.
- The capital amount will be the balancing amount.
- Add up the debit side (R431 200), subtract the credit amounts and the remaining amount (R380 000) will be the amount for Capital.

Background knowledge

- Recording of cash transactions in the CRJ and CPJ and closing off the journals
- Posting the journals to the General Ledger accounts and balancing the accounts

Suggested answers

Trial Balance of Radue Attorneys on 30 June 20.8✓

Balance sheet accounts section✓	Fol	Debit	Credit
Capital	B1		380 000✓
Drawings	B2	4 800✓	
Land and buildings	B3	180 000✓	
Equipment	B4	53 260✓	
Vehicles	B5	140 000✓	
Bank	B6	24 880✓	
Cash float	B7	400✓	
Nominal accounts section			
Current income	N1		43 200✓
Rent income	N2		8 000✓
Trading license	N3	8 400✓	
Wages	N4	2 800✓	
Salaries	N5	10 400✓	
Insurance	N6	940✓	
Telephone	N7	2 180✓	
Water and electricity	N8	1 340✓	
Stationery	N9	1 800✓	
		431 200✓	**431 200✓**

Review Copy

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.

Activity 9 Complete a CRJ &CPJ, posting to the general ledger, prepare a trial balance and analyse transactions

Learner's Book page 160

Guidelines to implement this activity

- This is an individual activity.
- This activity is a combination of everything that you taught them about accounting for the year.
- The learners must do the activity and give the learners the answers with mark allocation.
- Do not give the learners to complete the activity at once, break it up. Give the cash journals to complete, the posting to the general ledger, the trial balance and then transaction analysis.

Suggested solutions

Cash Receipts Journal of AAA Plumbers – August 20.9 **CRJ**

Doc	Day	Details	Fol	Analysis of Receipts	Bank	Current income	Sundry accounts		
							Amount	Fol	Details
001	1	John Abrahams			250 000✓		250 000✓		Capital✓
002	8	M. Lavender		6 500✓			6 500✓		Rent income✓
CRR		Cash		10 300✓	16 800✓	10 300✓			
CRR	19	Cash		12 800✓	12 800✓	12 800✓			
CRR	25	Cash		34 500✓	34 500✓	34 500✓			
				–	**314 100✓**	**57 600✓**	**256 500✓**		

Review Copy

Cash Payments Journal of AAA Plumbers – August 20.9 **CPJ**

Doc	Day	Name of payee	Fol	Bank	Equip-ment	Wages	Material cost	Sundry accounts		
								Amount	Fol	Details
001	2	City council		3 800✓				3 800✓		Trading licence✓
002	4	Milnerton Estates		125 000✓				125 000✓		Land and buildings✓
003	6	Abby Motors		100 000✓				100 000✓		Vehicles✓
004	7	RSA Traders		23 600✓	23 600✓					
005	10	Cash		3 100✓		3 100✓				
006	11	Cash		500✓				500✓		Cash float✓
007	14	Tony Distributors		4 900✓			4 900✓			
008	15	Abby Motors		3 750✓				3 750✓		Drawings✓
009	19	KM Insurers		2 400✓				2 400✓		Insurance✓
010	20	Cash		3 000✓		3 000✓				
011	23	Telkom		2 340✓				2 340✓		Telephone✓
012	26	SR Stationers		1 300✓				1 300✓		Stationery✓
013	28	Tony Distributors		3 760✓			3 760✓			
014	30	Cash		3 200✓		3 200✓				
015	31	M. Smith		8 000✓				8 000✓		Salaries✓
016		City council		4 200✓				4 200✓		Water and electricity✓
				292 850✓	**23 600✓**	**9 300✓**	**8 660✓**	**251 290**		

Review Copy

General ledger of AAA Plumbers

Balance sheet accounts section

Dr **Capital** **B1** **Cr**

					Aug	1	Bank✓	CRJ	250 000✓

Dr **Drawings** **B2** **Cr**

Aug	15	Bank✓	CPJ	3 750✓					

Dr **Land and buildings** **B3** **Cr**

Aug	6	Bank✓	CPJ	125 000✓					

Dr **Vehicles** **B4** **Cr**

Aug	6	Bank✓	CPJ	100 000✓					

Dr **Equipment** **B5** **Cr**

Aug	31	Bank✓	CPJ	23 600✓					

Dr **Bank** **B6** **Cr**

Aug	31	Total receipts✓	CRJ	314 100✓	Aug	31	Total payments✓	CPJ	292 850✓
							Balance	c/d	21 250✓
				314 100					314 100
Sep	1	Balance	b/d	21 250✓					

Dr **Cash float** **B7** **Cr**

Aug	11	Bank✓	CPJ	500✓					

Review Copy

Nominal accounts section

Dr **Current income** **N1** **Cr**

					Aug	31	Bank✓	CRJ	57 600✓

Dr **Rent income** **N2** **Cr**

					Aug	8	Bank✓	CRJ	6 500✓

Dr **Wages** **N3** **Cr**

Aug	31	Bank✓	CPJ	9 300✓					

Dr **Trading licence** **N4** **Cr**

Aug	2	Bank✓Bank✓	CPJ	3 800✓					

Dr **Stationery** **N5** **Cr**

Aug	26	Bank✓	CPJ	1 300✓					

Dr				Telephone				N6	Cr
Aug	23	Bank✓	CPJ	2 340✓					

Dr				Insurance				N7	Cr
Aug	19	Bank✓	CPJ	2 400✓					

Dr				Water and electricity				N8	Cr
Aug	31	Bank✓	CPJ	4 200✓					

Dr				Material costs				N9	Cr
Aug	31	Bank✓	CPJ	8 660✓					

Dr				Salaries				N10	Cr
Aug	31	Bank✓	CPJ	8 000✓					

Trial Balance of AAA Plumbers on 31 August 2011

Balance sheet accounts section	Fol	Debit	Credit
Capital	B1		250 000✓
Drawings	B2	3 750✓	
Land and buildings	B3	125 000✓	
Vehicles	B4	100 000✓	
Equipment	B5	23 600✓	
Bank	B6	21 250✓	
Cash float	B7	500✓	
Nominal accounts section			
Current income	N1		57 600✓
Rent income	N2		6 500✓
Wages	N3	9 300✓	
Trading licence	N4	3 800✓	
Stationery	N5	1 300✓	
Telephone	N6	2 340✓	
Insurance	N7	2 400✓	
Water and electricity	N8	4 200✓	
Material costs	N9	8 660✓	
Salaries	N10	8 000✓	
		314 100✓	**314 100**

Review Copy

Transaction analysis

Nr	Source document	General ledger		Accounting equation		
		Account debited	Account credited	A	E	L
4	Cash counterfoil✓	Land and buildings✓	Bank✓	+125 000✓ –125 000✓	0	0
6	Cash counterfoil✓	Vehicles✓	Bank✓	+100 000✓ –100 000✓	0	0
8	Duplicate receipt✓	Bank✓	Rent income✓	+6 500✓	+6 500✓	0
19	Cash counterfoil✓	Insurance✓	Bank✓	–2 400✓	–2 400✓	0

Total: 140 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 40 and give them feedback on their performance to prepare them for formal assessment.

Review Copy

Revision memorandums

Revision of Term 1

(Learner's Book page 58)

THE ECONOMY

Debate: No marks are allocated.
Poster: Use the following rubric to assess this activity:

Criteria	Excellent	Good	Average	Needs help
Source of income	Excellent description and lots of examples	Good description with examples	A list of sources of income given with little explanation	Little evidence of source of income or information not relevant to choice of government level
	4–5 marks	3 marks	2 marks	0–1 marks
Types of expenditure	Excellent depiction of how specific level of government spends income with excellent graphics or illustration	Good description and list of types of expenditure with some graphics or illustration	A list of different ways the specific level of government spends their income given	Some indication of how the government spends money but not all relevant to the specific level selected
	4–5 marks	3 marks	2 marks	0–1 marks
Use of budget to redress inequality and injustice	Clear, well written and creative information that is relevant and shows excellent understanding of topic	Ideas are well formulated showing good understanding	Use of budget described but not necessarily relevant to redressing inequality or injustice	Shows lack of understanding of use of budgets and application to injustice and inequality
	4–5 marks	3 marks	2 marks	0–1 marks
Role of level of government as producer and consumer	Both role of level of government as producer and consumer covered showing excellent application of knowledge	Information well written and presented	Role of government as consumer or/and producer given but not always relevant to the specific level selected	Very little evidence of the topic showing lack of interest, effort or understanding
	4–5 marks	3 marks	2 marks	0–1 marks
General	Poster neat, interesting and shows attention to detail; grammar, headings and layout very attractive	Post is attractive in terms of design, layout and neatness	Post a little messy in places but shows thought and planning	Poster is very poorly designed showing lack of effort and planning
	4–5 marks	3 marks	2 marks	0–1 marks
	Maximum 50			

Review Copy

STANDARD OF LIVING

1 Characteristics: (max 4)
Advantages: (max 4)
Disadvantages: (max 4)
General appearance and application of knowledge using pictures and drawings: (max 4)

Total 16

2.1 Both the national and provincial government must:
- work with private sector to increase employment opportunities and increase skills✓✓
- ensure government workers are paid realistic salaries✓✓
- draft legislation to protect natural resources✓✓
- provide infrastructure for road and transport for the transport of goods ✓✓
- draw up national and provincial budgets to use financial resources efficiently✓✓
- ensure land and natural resources in each province is used efficiently and in a sustainable manner✓✓ max 6

2.2 Learners must give their opinion which could be yes or no. However, they must apply their knowledge on the effect of development on the environment; use logical reasons to support their opinion and their answers must relate to the case study.

Sample answer:
Yes I think that they are correct in opposing this development ✓✓unless the company can prove that this method of mining will not adversely affect the environment. ✓✓ The various chemicals will release gas which could be harmful to animal, bird and human life. ✓✓ The chemicals will also remain on the ground and could end up in streams and rivers through rain and seepage. ✓✓ Some research has identified that this method of mining endangers the environment and the health of people in the area. ✓✓ The economic growth will not substitute peoples lives. ✓✓ Max 10

2.3 Learners must give their opinion which will differ according to their experience, home situation and differing values and beliefs. They must support their opinion with logical reasons that are not just based on emotions. (10)

2.4 It is clear that unemployed people would see the development as an opportunity for employment. The learners must try to put themselves in the position of an unemployed person. (10)

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FINANCIAL LITERACY

1

Assets	Liability	Owner's Equity	Income	Expense
computer		Capital	interest received,	rent,
office furniture		Drawings (owner takes goods for own use)	fee income,	salaries,
trading stock			sales,	telephone,
vehicle			rent received	wages

(14 x 1 mark (14)

2. 1 Investment – money is secure✓✓; fixed interest received✓✓; can withdraw at a specific time depending on the investment✓✓ (max 6)
Business: investment is not secure and could be lost if business fails✓✓; profit depends on how well the business is operating✓✓, could make a loss✓✓, profit could be much higher than the interest on an investment✓✓ (max 6) (12)

2.2 Receipt book ✓✓- issue a receipt when customers pay for their treatment✓✓
Cheque book ✓✓- write cheque to pay accounts✓✓
Bank deposit book✓✓ – complete deposit slip when depositing cash into the business bank account✓✓ (12)

2.3 Cheque /current account✓✓ – cheque book✓✓, bank overdraft facility✓✓, internet banking, ✓✓debit and credit cards, ✓✓ do bank transfers and pay accounts at any time using telephone✓ or internet. ✓✓ Max 10

2.4 Draw up an income statement✓✓; this document lists only income and expenses✓✓; income must be higher than expenses. ✓✓ (6)

2.5 Advantages: can work any hours; ✓✓ hard work benefits yourself✓✓; receive all profits✓✓; make quick decisions; responsible to self; incentive to make the business a success (max 6)
Disadvantages: could lose investment✓✓; personal possessions at risk✓✓,; pay income tax on business profits; ✓✓ no one to assist or manage the business to take a holiday; all responsibility on your shoulders; (max 6) (12)

2.6 Learners may answer yes or no. They must support their answer with logical reasons based on characteristics and disadvantages of owning a business. (max 10)

2.7 Bank statement is a summary of all transactions done on a bank account. ✓✓ Lists all deposits made into the account,; ✓✓ all payments by cheque or internet or cash withdrawals; ✓✓ interest paid or charges by the bank; ✓✓bank charges. ✓✓ (max 8)

Review Copy

3.1 Refer to the examples in the Learner's Book to ensure the cheque is completed correctly.

Date: 6/10/2012 ✓	**RABOBANK** 253 225 SCOTTBURGH BRANCH 6 Oct 20 12 ✓
To: Wannies Clothin Boutique ✓	
For: R _____	Pay Wannies Clothing Boutique ✓ or bearer
Balance b/f R1 300 ✓	the sum of Six hundred and eighty rand only ✓
Deposit: R5 700 ✓	R680.00 ✓
This cheque: R680 ✓	Signature: Lindsay Munsa ✓
Balance: R7 680 ✓	
0132	0132 253225 4053372267

(12)

3.2 405 337 2267 ✓
3.3 253 225✓

Review Copy

TERM 4

Revision of Term 2

THE ECONOMY

1 Goods and services; factor

2

Goods and services	Factor
Involved goods, products or services	Involved labour or finances
Retail, wholesale, markets	Employees; banks; investors, financial institutions
Can be a physical place or virtual such as website	People must be offered a job depending on their skills Financial markets can be physical places or websites.

3 Goods and services market:
– Building: provides homes, buildings, and building services
– doctor:– medical service
– retail store: sells products
– coffee shop: sells goods and services
– fire department – provides a service,
Factor market:
builder, farm labourer, doctor – all labour with different skills
credit card, – credit finance
fire fighter – labour

4 Wholesale – receive products from large number of different suppliers
– purchase in large quantities
– large variety of different products
Retailer: – sells small quantities to customers
– sell small variety of products
– prices are higher than wholesaler

5 Capital – money, goods that are used to start a business; amount depends on size and type of business; provided by owners; reward is interest
Labour: unskilled ,semi skilled and skilled workers who are paid wages or salaries for their human and mental effort.
Resources: the natural resources used to provide the product e.g. ingredients, raw materials etc. Entrepreneur: person or people who start businesses and bring all factors of production together to provide product or service; reward is profit.

Review Copy

FINANCIAL LITERACY

1.1 Transaction, source document, subsidiary journal, general ledger, trial balance, income statement, balance sheet

1.2 Daily: transactions, source documents, subsidiary journal
Monthly: total subsidiary journals, post to general ledger, draw up trial balance
End of financial period: income statement and balance sheet

1.3 To record all cash transactions using source documents; collates source documents that are used for the same purpose in one subsidiary book e.g. bank statement and cheque counterfoil in CPJ; gives details of each transaction.

1.4 Use discretion with learners answers. The diagram must be show the activities in the correct order:
– cash received from customer
– business issues receipt
– cash placed in cash register till
– at the end of the day the cash is totalled and deposit slip completed
– cash and deposit slip taken to bank and deposited into the bank account

2.1 The analysis of receipts column is used to record cash received and place in the cash register till in the business.

2.2 Bank column is used to record the total amount deposited in the bank; any deposits made directly into the bank account.

2.3 Cash Receipts Journal of Classic Cleaners for June 2013

Doc No	Day	Details	Fol	Analysis of receipts	Bank	Current income	Sundry Accounts		
							Amount	Fol	Details
41	1	Manny		3 000	3 000	3 000			
42	3	Best Buys CC		1 690	1 690	1 690			
43	4	Benny Boekvurm		4500	4500	4500			
44	8	Village High School		1 670	1 670	1 670			
45	12	Cash		250	250	250			
46	15	Cash		1 560	1 560	1 560			
47	20	Intel Building Services		3 600	3 600	3 600			
BS	25	Bank			54		54		Interest income
Bs		Estate agencies			2 500	2 500			
					15 224	14 170	5454		Interest income

Review Copy

ENTREPRENEURSHIP

1.1 C – Profit
1.2 C – interest
1.3 C – wholesaler
1.4 A – money, vehicles and equipment
1.5 A – mental and physical effort
2.1 False
2.2 False
2.3 False
2.4 False
3.1 own – provided by the owner, if the owner borrows this the owner must repay and is responsible himself for repaying the amount
Borrowed: money borrowed from friend, family or bank. Repay a specific sum every month for a specified number of months. Repayment includes interest charged.

3.2 Yes – the owner can give assets to the business. These assets then belong to the business. Some people take on partners because of their skill, knowledge or experience who do not have money to invest.

3.3 Unskilled – have low education, repetitive jobs, physical labour
Semi skilled – have some education and are able to specific part of a job but not sufficient skill to complete the entire job, skills can be obtained on the job.
Skilled – tertiary education and usually in management positions.

3.4 – worker are allowed to join a trade union
– law stipulates basic rights of workers
– trade unions represent workers interests in negotiations with employers
– trade unions can call for strike action if worker grievances not addressed
– specific procedure for dismissal and disciplinary action

3.5 Commission for Conciliation, Mediation and Arbitration

3.6 Promote social justice
– promote economic development in work place
– resolve disputes between management and workers
Adjudicate on dispute and dismissal issues.

3.7 All business use natural resources in their raw form or in a changed form in order to sell products and services
– Without natural resources no production can take place
– land is need for all production
– Everything physical (not people) which is not the result of human effort is defined as natural resources.
Examples: learners must support their information with examples

3.8 Use discretion with learners answers. They must apply their knowledge to the question:
– brings all factors of production together to provide goods and services to customers
– human effort that takes on the risk of bringing factors of production together
– A person is needed to organise the factors of production in the most efficient way to get products and services to customers at affordable prices
– Entrepreneur recognises a need and uses factors of production to produce a product or service to meet these needs.

Review Copy

Revision of Term 3

(Learner's Book page 133)

ENTREPRENEURSHIP

Question 1

1. This is a good activity for the learners to write the information they remember and also to have all the comparisons on one sheet. You may want the learners to work in pairs. Allow the learners to check their work with the Learner's Book to make sure their information is correct. This is excellent for their revision of this section for the final examination.

2. Use discretion with learners answers. They cannot select a close corporation as these are not longer permitted in the Companies Act. They cannot select a public company as this will expose them to the risk of hostile take over.
Private Company:
Reason for choice: (2)
Characteristics; (6 marks)
Advantages: (6 marks)
Disadvantages: (6 marks) – maximum 20

3.1 An entrepreneur is a person who sees a need and starts a business to meet that need. They reisk their own money to invest in this business.

3.2 Note: the learners must not only list, but give a brief description of the characteristics. They can use an example to explain the characteristic:
Risk taker, persevere, creative, enthusiastic, reliable, people person,

3.3 Note: this question refers to advantages of sole trader
Own boss, make quick decisions, in charge of own destiny, receives all profit, hard work rewarded, choose hours to work

3.4 Disadvantages of sole trader:
Risk personal possessions, no one to share responsibility; difficult to take leave; continuity of business dependent on health of owner; may have to do jobs that do not like; difficult to employ skilled, experienced staff; generally cannot pay very good salaries

3.5 Use discretion with learners answers. They must give reasons for their answers:
No – disadvantages of partnership
Yes – advantages of partnership

4. Learners should use the table they completed from question 1 to answer this question.

5.1
– sustainable businesses are the only way to create sustainable jobs
– unemployment represents waste of skills and productivity
– businesses must be more competitive to increase sales and production to create jobs
– be able to compete with international companies in keeping selling prices low enough to encourage sales and market growth
– drops in sales could result in retrenchments
– take advantage of developing countries and markets for increased sales

Review Copy

5.2 use solar and wind energy in factories and new buildings
– use low energy globes in lights in older buildings
– recycle water
– use timber from replanted forests for building and other uses
– plan production methods to include reduction or re use of natural resources
– plan packaging more efficiently to use less and use recycled materials

5.3 Use discretion with the learners answers. They must give their opinion and this will be influenced by their experience, home situation (e.g. if parents or family are pro-environment or own their own businesses) etc.

6.1 E – Bank vehicle, buildings
6.2 A – money and possessions an owner uses to start a business
6.3 G – used to enter all payments by cheque in the subsidiary journal
6.4 B – used to keep records of all cash receipts
6.5 I – proof of money paid by business
6.6 H – Completed when money and cheques are deposited in the bank account
6.7 N – What the owner withdraws from the business
6.8 J – Bank loan, bank overdraft
6.9 F – income R23 900; Expenses R21 600
6.10 D – Proof of money being received by the business
6.11 C – a business that buys products and re sells them at a profit
6.12 K – A business that charges for knowledge, experience and skill
6.13 L – Statement showing the difference between what you own and what you owe
6.14 M – An exchange of a financial nature

7. (1–2) Cash Receipts Journal of Amandla for April 2013

Review Copy

Doc No	Day	Details	Fol	Analysis of receipts	Bank	Current income	Sundry Accounts		
							Amount	Fol	Details
R01	1	Amandla			40000		40000		Capital
R02	3	Robobank			20000		20000		Loan: Robobank
R03	5	Cash		5600	5600	5600			
R04	7	Cash		12780	12780	12780			
R05	15	Cash		14370	14370	14370			
R06	23	Cash		560	560	560			
					93 310	33310	60000		

Cash Payments Journal of Amandla for April 2013

Doc No	Day	Details	Fol	Bank	Con. Stores	Wages	Sundry Accounts		
							Amount	Fol	Details
C01	4	Cash		25 000			25 000		Vehicle
C01	6	Building Specialist		4 500	45 00				
C01		Cosmos Estate Agent		5 800			5 800		Rent
C01		CPA		560			560		Stationery
C01		Office Equipment		15 600			15 600		Office Furn & Equip
C01	8	Traffic Dept		560			560		Licence
C01	18	Security Specialists		7 400			7 400		Vehicle expenses
C01	25	Vodacom		560			560		Telephone
C01	27	Amandla		560			560		Drawings
C01	30	Cash		8 500		8 500			
				69 040	4 500	8 500	56 040		

3. Cash receipts: R93 310 – Cash Payments: R69 040 = R24 270

4.

NO.	Source document	Assets	Liabilities	Owners Equity
4.1	Duplicate receipt	Bank + R40 000	0	Capital + R40 000
4.2	Duplicate receipt	Bank + R5 600	0	Fee income +R5 600
4.3	Cheque counterfoil	Bank – R26 460 Equipment + R15 600	0	Expenses – R10 860 (R4500 + R5800 + R560)
4.4	Cheque counterfoil	Bank – R560	0	Drawings – R560
4.5	Cheque counterfoil	Bank – R8 500	0	Expenses – R8 500

Review Copy

Revision of Term 4

(Learner's Book page 162)

QUESTION 1

Trial balance of Moses on 30 April 2013

Balance Sheet Section ½		
Capital		✓✓46 200
Vehicles	✓125 600	
Equipment	✓ 3 200	
Bank		✓ 2 360
Nominal Section ½		
Fee income		✓ 126 410
Stationery	✓ 3 600	
Fuel	✓4 520	
Repairs	✓ 2 650	
Consumable stores	✓4 500	
Water and electricity	✓ 2 300	
Telephone	✓5 600	
Wages	✓23 000	
	174 970	174 970

(14)

Review Copy

Cash Receipts Journal of M & J Garden Services for July 2012

Doc No	Day	Details	Fol	Analysis of receipts		Bank		Current income		Sundry Accounts			
										Amount		Fol	Details
	2	Whitely Estate		5 600	00			5 600	00				
		Synbad Ltd		3 260	00			3 260	00				
		Cash		2 300	00	11 160	00	2 300	00				
	5	Central Factory Units		2 560	00			2 560	00				
		Mbabane Gold Estate		6 920	00			6 920	00				
		Metro Motors		1 560	00	11 040	00			1 560	00		Vehicle Repairs
	25	Cash		3 650	00			3 650	00				
		Mr Swart		250	00			250	00				
		Mr Mkize		250	00			250	00				
		Scott Mews		3 620	00			3 620	00				
		ZK Naidoo		250	00	8 020	00	250	00				
	29	Sweetwaters Estates		5 630	00	5 630	00						
	30	Zulu Estate		6 950	00								
		Norman Consultants		2 300	00								
		Rabobank		261	00	9 511	00			261	00		Interest income
						45 361	00	43 540	00	1 821	00		
		(15x ½) (7½)		(15x ½) (7½)		(5)		(10)		(2)			(2x ½))

Review Copy

(33)

Cash Payments Journal of M & J Garden Services for July 2012

Doc No	Day	Details	Fol	Bank		Wages		Con. Stores		Sundry Accounts			
										Amount		Fol	Details
	2	Cash		2300	00			2300	00				
	7	Cash		5000	00	5000	00						
	10	CTA Stationers		560	00					560	00		Stationery
	12	Metro Motors		950	00					950	00		Fuel
	14	Cash		5000	00	5000	00						
	20	Lawnmover CC		2350	00					2350	00		Equipment
	21	Cash		5000	00	5000	00						
	26	Municipality		230	00					230	00		Water & lights
		Telkom		1360	00					1360	00		Telephone
	28	Bennet Nurseries		3980	00			3980	00				
	30	Darries Estate		5000	00					5000	00		Rent
		Rabobank		395	00					395	00		Bank charges
				32125	00	15000	00	5280	00	10845	00		
		(6)		(12)		(3)		(2)		(8)			(8)

(38)

QUESTION 2

1

(1 mark per entry) = 16 marks
1 mark for each level – max 3 levels) (3) = [19]

Review Copy

2 Planning:✓ This means to draw up plans so that the business or department achieves its goals.✓✓
– Solly, as top management must plan the vision and objectives of the business. ✓✓ (5)
Organise: ✓ Top management organise the structure of the business.✓✓
Solly needs to organise the different levels of management and the different areas or departments that the business needs to ensure it is managed efficiently✓✓ (5)
Leading: ✓ This means to lead by example and motivate employees to do the best work possible.✓✓ Solly must be an example to his children who are directors as well as other managers and motivate them to do their best for the business.✓✓ (5)
Controlling: ✓ This is to evaluate whether the business or department is achieving the goals set for it.✓✓ Solly needs to continually evaluate the goals and vision he has set and adapt to changing markets and environment.✓✓

(4 x 5 marks)

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Term 1 test memorandum

Section	Ques.	Topic			Cognitive levels			Marks
		Economy	Fin Lit	Entrep	1	2	3	
A	1	2, 2	2, 2, 2		8			8
		2, 2	2, 2, 2		8			8
B	3	14			2	4,	8	14
C	4		20			4, 4,6	6	20
Total		22	32		18	18	14	50
					15	20	15	

SECTION A

QUESTION 1

1.1. modern
1.2 National Budget
1.3 assets
1.4 direct

QUESTION 2

2.1 local
2.2 life style
2.3 debit
2.4 OE = Assets – liabilities

Review Copy

SECTION B – ECONOMY

QUESTION 3

3.1 income tax, business tax, VAT, import duties, export duties (any 2) (2)

3.2 Infrastructure is basic structures such as road, railway lines, buildings and power supplies. ✓✓ These assist workers to get to work and businesses to get their products from suppliers and manufacturers to customers. ✓✓ (4)

3.3 Use discretion with learner's answers. They must apply their knowledge and it must refer to the case study. Suggested response: Yes, it will influence growth as a result of increased investment in modernising infrastructure, investment in skills training and industrial investment for business, as well as tax relief measures and financial enterprise development programmes. It redresses economic inequalities by increased spending on housing, rural development, community services and social assistance.

SECTION C – FINANCIAL LITERACY

4.1.1 cheque counterfoil (1)
4.1.2 deposit slip (1)
4.1.3 receipt (1)
4.1.4 bank statement (1)

4.2 owners equity is the value the owner has invested in the business. ✓✓
It includes capital less drawings plus profits. ✓✓ (4)

4.3 Use discretion with learners answers. They must give their opinion and support this with valid, logical answers.

Sample answers:
No, I do not.✓ However, the owner must be able to understand the financial records so that he can make good business decisions. ✓✓
He can always employ a bookkeeper to do the basic accounting. ✓✓
An accounting computer package is very easy to use and one does not need to have done accounting to use it. ✓✓ Max 6

4.4 Yes it is essential that the business owner has a separate bank account. ✓✓
This is to keep all the business transactions separate from those of the business. ✓✓ The owners cannot calculate profit if he does not have a separate bank account and banking records. ✓✓ He can use business money for personal use but it must be recorded as drawings. ✓✓ Max 6

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Term 3 test memorandum

SECTION A

1.1 True
1.2 False A+ ; OE+
1.3 False – cheque counterfoil
1.4 True
1.5 False – duplicate
1.6 True

2.1 D: Gerry Pratt CC
2.2 F: Gerry Pratt and Sons
2.3 A: Gerry Pratt (Pty) Ltd
2.4 C: Gerry Pratt ltd
2.5 B: Gerry Pratt

3.1 10
3.2 50
3.3 limited only by number of shares issued to
3.4 freely

SECTION B: FINANCIAL LITERACY

4.1 Cash Receipts Journal of Tapello Garden Services for March 2013

Doc No	Day	Details	Fol	Analysis of receipts	Bank	Current income	Sundry Accounts		
							Amount	Fol	Details
R1	1	Tapello			5 000		5 000		Capital
R2	6	Cash		360	360	360			
R2	13	Cash		780	780	780			
R3	20	Cash		680	680	680			
					6 820	1 520	5 000		

Review Copy

Cash Payments Journal of Tapello Garden Services for March 2013

Doc No	Day	Details	Fol	Bank	Fuel	Con. Stores	Sundry Accounts		
							Amount	Fol	Details
C1	4	Garden Supplies		2 500			2 500		Equipment
C2		Jack's Nursery		900			900		Rent
C3	20	Jack's Nursery		680		680			
C4	22	PP Stationers		90			90		Stationery
				4 170	0	680	3 490		

4.2 Cash receipts: R6 820 – Cash payments R4 170 = R2 650

4.3 Use discretion with learners answers. They must supply valid reasons for their answers that apply to this business.

SECTION C: ENTREPRENEURSHIP

5.1 (a) Partners
(b) shareholders

5.2

Private company	Public company
May not sell shares to public	Shares are freely available to public
1 director	Minimum 3 directors
Financial statements only available to shareholders	Must be published for public information
Simpler to establish than public company	Must issue prospectus to advertise shares to public

Review Copy

5.3 Use discretion with learners answers. They must supply valid, logical reasons to support their choice. It is not realistic for a person to start a public company. Public companies are usually formed once a private company or cc is already successful and needs to expand.

Exemplar mid-year examination memorandum

Section	Ques.	Topic			Cognitive levels			Mark	Mark
		Econ	Fin Lit	Enrep	1	2	3		
A	1	2.2	2.2	2	10			10	20
	2	2	2.2	2.2	10			10	
B	3	16			2.2	6	6	16	16
C	4		12			8	4	12	23
	5		11			11		11	
D	6			16		8	8	16	16
Actual marks		22	31	22	24	33	18		75
Actual %		29.3%	41.3%	29.3%	32%	44%	24%		
Required %		30%	40%	30%	30%	40%	30%		

SECTION A 20 marks

QUESTION 1: FILL IN THE MISSING WORD **(10 marks)**

1.1. Sin taxes
1.2. Economic development
1.3. Expense
1.4. Basic Conditions of Employment Act
1.5. Land and Buildings

[1 x ✓✓ = 10]

QUESTION 2: MATCH THE COLUMNS **(10 marks)**

2.1. D – Factor market
2.2. D – Borrowed capital
2.3. G – Trial balance
2.4. C – Cheque
2.5. F – Profit

[1 x ✓✓ = 10]

Review Copy

SECTION B: The economy 20 marks

QUESTION 3 8 marks

3.1 Obtain money from taxes.
Investments
Government owned businesses
Loans

Any 2 x ✓ = (2)

3.2 Indirect tax is tax that is charged on what people spend money on. ✓✓
– It can be passed on to the consumer ✓✓
– Examples: VAT, import and export duties, ✓✓ (max 2)

3.3 Use discretion with learners answers: They must give their opinion and support this with logical reasons. Sample answer:
No: Too much money being spent✓✓ which could rather be allocated to other areas of need such as decreasing poverty and unemployment, education, housing, etc. ✓✓ The stadiums may not make enough money to support the costs in the future. ✓✓

OR

Yes as it It will bring South Africa international exposure and increased tourism✓✓. Will encourage South African unity and foster sport in the country. ✓✓ Increased sports facilities in areas where they may not have had good infrastructure before. ✓✓ Increase employment opportunities. ✓✓

3.4 Factor markets include capital and labour markets✓✓The capital market will be used to finance the building of the sports stadiums. ✓✓The labour market is the physical and mental effort of people. ✓✓ This will be the workers both skilled, sem-skilled and unskilled who are employed to complete the stadiums. ✓✓ (max 6)

SECTION C: Financial literacy 25 marks

QUESTION 4 (6 marks)

4.1 Yes it is necessary as the money received in the shop or business goes into the cash register. ✓✓ The bank deposit slip total is the amount that is indicated on the bank statement at the end of the month. ✓✓ When the money is added and moved to the Bank column, this total should match the one in the bank statement. ✓✓ It is easier to control money in the cash register and money that has been deposited in the bank account. ✓✓ (max 4)

4.2

	Assets		Owners' Equity		Liabilities	
No	Effect	Reason	Effect	Reason	Effect	Reason
3	– 180	Bank decrease ✓	– 180	Electricity – expense ✓		
10	+ 800	Bank increase ✓	+ 800	Current income – income ✓		
22	– 400	Bank decrease ✓	– 400	Wages – expense ✓		
28	– 648	Bank decrease ✓	– 648	Material costs – expense ✓		

(8)

Review Copy

QUESTION 5 (11 marks)

Cash Receipts Journal of Melanie's Meals on Wheels for June 2013CRJ10

Doc No	Day	Details	Analysis of receipts		Bank		Current Income		Sundry Accounts			
									Amount		Fol	Details
R86	2	Services Rendered	280	00	280	00	280	00				
R87	5	Trust Bank	120	00					120	00		Interest on Fixed Deposit
R88	13	Services Rendered	1 200	00	1 200	00	1 200	00				
R89	18	Melanie			25 000	00			25 000	00		Capital
					26 600	00	1 480	00	25 120	00		

- one mark for each amount in Analyisis of receipts (only if whole line from source document to amount is correct)
- one mark for each amount in Bank and Current Income
- one mark for each amount + account in Sundry accounts (must both be correct)
- no mark for totals

SECTION D: Entrepreneurship 10 marks

QUESTION 6: FACTORS OF PRODUCTION (10 marks)

6.1 Skilled labour – workers who have special skills or knowledge; ✓✓they need tertiary education✓✓ they earn higher salaries ✓✓ (max 4)
Semi-skilled labour – workers that have some skills as a result of experience ✓✓; paid less than skilled workers ✓✓ usually can do a specific part of a job e.g. sew a zip ✓✓ (max 4)

6.2 Use discretion with learners answers. They are asked for their opinion and this must be supported by logical reasons. Sample answer:
- Yes these Acts do contribute to fair employment practices as businesses must apply these laws.✓✓
- The Labour Relations Act makes sure that all workers work reasonable hours and are given reasonable leave✓✓ e.g. holiday, sick leave etc.✓✓
- The Employment Equity Act makes sure that every business owner has to treat each worker the same ✓✓ and give people from designated groups (previously disadvantage should also be acceptable) equal opportunities. ✓✓

(Max 8)

TOTAL = 75 MARKS

Review Copy

Term 4 Exemplar end-of-year examination memorandum

150 MARKS 120 MINUTES

Section	Ques.	Topic			Cognitive levels			Mark	Mark
		Econ	Fin Lit	Enrep	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			10	10			10	
B	5	15			2	4	5.4	15	31
	6	16				8	8	16	
C	7		27		2.2	17	6	27	50
	8		23			23		23	
D	9			29	1.2	8	18	29	29
Actual marks		43	66	41	49	60	41		150
Actual %		28.6%	44%	27.3%	32.6%	40%	27.3%		
Required %		30%	40%	30%	30%	40%	30%		

SECTION A 40 marks

Review Copy

QUESTION 1: MULTIPLE CHOICE (10 marks)

1.1 B – 1 and 10 owners
1.2 C – Asset -; Liabilities 0; Owner's Equity +
1.3 B – Capital, entrepreneurship, land, labour
1.4 A – Income Statement
1.5 D – when a country improves the stand of living

[1 x ✓✓ = 10]

QUESTION 2: TRUE OR FALSE (10 marks)

2.1 False
2.2 False
2.3 True
2.4 True
2.5 False

[1 x ✓✓ = 20]

QUESTION 3: UNDERLINE THE CORRECT WORD (10 marks)

3.1 Three
3.2 Vehicles
3.3 Specific period
3.4 direct
3.5 Month

[1 x ✓✓ = 10]

QUESTION 4: SELECT THE CORRECT TERM **(10 marks)**

Study the names of the businesses given below and indicate which form of ownership they fall into. (10)

4.1 Public company
4.2 Private company
4.3 Partnership
4.4 Sole trader
4.5 Close Corporation

[1 x ✓✓ = 10]

SECTION B: The Economy 32 marks

QUESTION 5 **(22 marks)**

5.1 VAT, Personal Income tax, Companies tax, personal property tax, real prperty tax, customs duties, excise tax

Any 2 x ✓

5.2 Education,✓

Use discretion with learners answers. They must give their opinon and support this with logical reasoning. Sample answer:

Yes I do agree with this allocation as education is important.✓✓
Education reduces unemployment ✓✓
Education provides more skills and makes the person more employable. ✓✓ (max 5)

5.3

5.3.1 Social grants is an amount of money that is allocated to a person or household to assist them financially. ✓✓ Social grants are given to elderly, unemployed, child support, foster care etc. ✓✓ People must qualify according to a specific criteria. ✓✓ (max 4)

5.3.2 Use discretion with learners anssers as they are asked for their opinion. This must be supported by logical reasoning. Sample answer:

– No I do not agree with this as it does not give the youth an incentive to study hard to obtain qualification. ✓✓ The youth need to be proactive in finding work ✓✓or starting their own small business using their EMS knowledge. ✓✓ (max 4)

QUESTION 6 **(10 marks)**

6.1 Rural society: in the countryside away from towns and cities ✓✓; fewer employment opportuniteis; ✓✓ most time spent on producing foodü subsistence farming common✓✓ (max 4)

Modern Society: less dependent on each other✓✓; dependent on employer, supermarket and shops; ✓✓ need to work and earn money to pay for their needs and wants; (max 4) (8)

6.2 Use discretion with learners answers as they are asked for their opinion. They must support their opinion with valid, logical reasons. Sample answer : Unemployment is when people are looking for jobs but are unalbe to find work. ✓✓ It is also used for people who do not have a job with a regular income. ✓✓ Unemployment is a problem as it causes depression and other health realted problems. ✓✓ It results in a decline in the standard of living.

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✓✓ Poor education and an uneven balance of workers with skills is a cause of unemployment. ✓✓ Strict labour laws have also resulted in companies employing less people✓✓ (max 8)

SECTION C: Financial literacy 50 marks

QUESTION 7 (10 marks)

7.1

7.1.1 Bank, cash float, petty cash

Any 1 x ✓✓

7.1.2 Loan, creditors

Any 1 x ✓✓

7.1

ALPHA PRINTERS
TRIAL BALANCE FOR THE YEAR ENDED 30 JUNE 2012

BALANCE SHEET SECTION ✓					
Capital				✓ 90 000	00
Drawings				✓ 7 000	00
Land and buildings		✓ 30 000	00		
Vehicles		✓ 12 000	00		
Equipment		✓ 20 000	00		
Bank		1 000	00		
NOMINAL SECTION ✓					
Current Income				✓ 64 000	00
Water & Electricity		✓ 1 600	00		
Telephone		✓ 10 000	00		
Material costs		✓ 14 400	00		
Rent expense		✓ 24 000	00		
Salary		✓ 72 000	00		
Wages		✓ 24 000	00		
Rent Income				✓ 48 000	00
		✓ 209 000	00	✓ 209 000	00

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(17)

7.3 A trial balance is important as it checks that every transaction has a debit and credit entry in the general ledger. ✓✓ It does not mean that the work is correct as the amounts could have been posted to the incorrect ledger account. ✓✓ It is important as it makes it easier to draw up the income statement and balance sheet. ✓✓ A business owner can see the final total of the different expenses for the month. ✓✓ They can also see whether they have met their sales target for the month. ✓✓ (max 6)

QUESTION 8: JOURNALS (23 marks)

Cash Payments Journal of Glenda's Gardening for July 2012 **CRJ10**

Doc no	Day	Details	Fol	Analysis of Receipts		Bank		Current Income		Sundry Accounts			
										Amount		Fol	Details
R36	1	Services Rendered		750	00	750	00	750	00				
R37	1	Johan Bates		2 000	00	2 000	00			2 000	00		Rent Income
R37	10	Services Rendered		2 250	00	2 250	00	2 250	00				
R38	18	Glenda				40 000				40 000	00		Capital
R39	21	Jeremy Scott		850	00	850	00			850	00		Equipment
					00	45 850	00	3 000	00	42 850	00		

- one mark for each amount in Analyisis of receipts (only if whole line from source document to amount is correct)
- one mark for each amount in Bank and Current Income
- one mark for each amount + account in Sundry accounts (must both be correct)
- no mark for totals

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Cash Payments Journal of Glenda's Gardening for July 2012 **CPJ10**

Doc no	Day	Name of Payee	Fol	Bank		Wages		Stationary		Sundry Accounts			
										Amount		Fol	Details
C52	2	Frank Farming Supplies		5 600	00					5 600	00		Equipment
C53	5	Paper Partner		118	00			118	00				
C54	14	Cash		6 600	00	6 600	00						
C55	24	Telkom								720	00		Telephone
C55	24	Telkom		1 120	00					400	00		Drawings
				13 638	00	6 800	00	118	00	6 720	00		

- one mark for each amount in Bank (only if whole line from source document to amount is correct)
- one mark for Stationery and wages
- one mark for each amount + account in Sundry accounts (must both be correct)
- no mark for totals

SECTION D: Entrepreneurship 28 marks

QUESTION 9 (18 marks)

10.1 The shareholders have limited liability for business debts✓✓
A private company is a legal person and has continuity✓✓
There are legal procedures that must be followed to establish a private company. ✓✓
The name of the business must have the letters (Pty) Ltd at the end. ✓✓

It can be started with 1 person and ownership is only limited by the number of shares issued. (according to the new Companies Act (71 of 2008) ✓✓
Capital is obtained by selling shares to private investors who are called shareholders✓✓ (max 8)

10.2 Top management ✓

10.3 Autocratic leadership is when the person makes all the decisions.✓✓ They do not obtain or want input from the workers.✓✓ There is no room for creativity for the workers or for new ideas. ✓✓ It limits workers and can cause frustration. ✓✓ She can have team meetings and discuss the goals and objectives for the business. ✓✓ She must allow workers to provide feedback or comment on issues. ✓✓ Workers must be given responsibility to get the work done without constant supervision. ✓✓ (max 10)

QUESTION 10 **(10 marks)**

11.1 Create jobs
Increase goods and services produced/available in the country
Generate income on which they must pay tax which menas more money for government

Any 2 x ✓ (2)

11.2 Skilled
- workers who have special skills or knowledge ✓✓
- Increased productivity✓✓ (max 2)

Semi-skilled
- workers that have some skills, but need further training✓✓
- Could slow down productivity in the beginning until they acquire the correct skills ✓✓ (max 2)

11.3 Working hours; Leave; Benefits; remuneration or salary; notice to end employment; terms and conditions of employment; employment contract

Any 4 x ✓

11.4 Disadvantages of a public company:
– financial records must be audited and published annually✓✓
– vulnerable to hostile take over as shares are available to anyone✓✓
– strict rules and regulations in Companies Act that must be complied with✓✓
– Expensive and complicated to establish. ✓✓
– shareholders put pressure on management to perform well with considering long term goals✓✓ (Max 8)

TOTAL = 150 MARKS

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Additional Term 1 test

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 group of people who can provide their own needs without outside assistance form part of a ... society	
	A	self-sufficient
	B	independent
	C	traditional
	D	modern
1.2	Productive use of resources ...	
	A	results in high unemployment
	B	increased costs for the business
	C	increases productivity.
	D	encourages crime.

(2 x 2 marks) (4)

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QUESTION 2: MATCH COLUMNS

Choose a description or example from Column B that matches a term in Column A. Write only the letter next to the question number.

1	Direct tax	A	Paid by business and workers
2	Income tax	B	Customs duties, VAT, toll fees
		C	Property tax, income tax, tax paid on profits

(2 x 2 marks) (4)

QUESTION 3: MISSING WORDS

Give ONE word/term for each of the following description. Write only the word/term next to the question number.

Capital, current, fixed, non-current, drawings owner's equity

3.1 Liabilities can be ... or ...
3.2 ... is when an owner withdraws money for his own use.

(3 x 2 marks) (6)

Total Section A: [14]

SECTION B: ECONOMY

QUESTION 4

The President of South Africa has warned that continued strike action will seriously damage the economy. He called government, business and unions for talks. The Minister of Finance has said that the economy was at risk as the international investors were losing confidence in South Africa. The municipal workers strike has affected the KwaZulu-Natal local government finances. It has forced some municipalities to use private consultants. This has added more financial strain on the resources. Adding to all the woes of municipalities, the Auditor General said that lack of adequate internal control and general lack of skills and staff has led to revelations of misappropriated funds and maladministration.

4.1 Identify THREE levels of government in South Africa. (3)

4.2 Explain the responsibility of the National Government, especially referring to the article above. (4)

4.3 If you were the President, would you call business and industry leaders to talk about the problem in the article? Give reasons for your answer. (8)

4.4 Do you think the municipalities mentioned above are fulfilling their obligations to their people? Give reasons for your answer. (6)

Total Section B: [21]

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SECTION C: FINANCIAL LITERACY

QUESTION 5

5.1 Identify the source document used by a municipality when entering cash received from customers in their subsidiary journal. (1)

5.2 Explain how a municipality can see whether they have used their money wisely. (6)

5.3 Complete the following table:

	Assets	Liabilities	Owners Equity
5.3.1	56 000	21 000	?
5.3.2	125 000	?	125 000
5.3.3	?	23 500	
5.3.4	950 000	?	863 250

(4 x 2 marks) (8)

Total Section C: [15]

Section	Ques.	Topic			Cognitive levels			Marks
		Economy	Fin Lit	Entrep	1	2	3	
A	1	2, 2			4			4
	2	2,	2		4			4
	3		2, 2, 2		6			6
B	3	21			3	4	8, 6	21
C	4		15		1	6, 8		15
Total		27	23		18	18	14	50
					15	20	15	

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Additional Term 1 test memorandum

SECTION A

QUESTION 1: Multiple choice

1.1 A – Self sufficient
1.2 C – increases productivity

QUESTION 2: Match columns

1 C – property tax, income tax, tax paid on profits
2 A – paid by business and workers

QUESTION 3: Missing words

3.1 current, non current
3.2 drawings

SECTION B – ECONOMY

QUESTION 4

4.1 National, Provincial, Muncipal or local
4.2 Use discretion for learners answers. They must select some of the responsibility of national government that relate to the article. They must explain the responsibilities and not just list them
e.g. – infrastructure; budget; labour legislation; security; education etc.
4.3 Use discretion with learners answers. They must give their opinion. This must be supported by logical reasons.
4.4 Use discretion with learners answers. They must give their opinion. This must be supported by logical reasons. E.g. no, they are misusing money; using expensive consultants; not internal control of work and finances; lack of skills etc.

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SECTION C – FINANCIAL LITERACY

QUESTION 5

5.1 Duplicate receipt
5.2 Learners must describe a budget and explain how this will control the way the municipality allocates its financial resources.
5.3.1 R35 000
5.3.2 R0
5.3.3 R143 500
5.3.4 R86 750

Additional Term 3 test

Section	Ques	Topic			Cognitive levels			Mark	Marks
		Econ	Fin lit	Entrep.	1	2	3		
A	1								
	2								
Actual marks									
Actual %									
Required %					30%	40%	30%		

SECTION A

1. Give ONE word/term or each of the following descriptions. Write only the word/term next to the question number.

1.1 A form of ownership that is no longer permitted in South Africa.

1.2 A form of ownership that does not have continuity but has more than one owner

1.3 A ... is the source document used to enter transactions that have been done directly in the bank account.

1.4 A ... is the source document to enter payments made by cheque.

1.5 A ... company may obtain capital from members of the public.

(5 x 2 marks) (10)

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2. Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or False' next to the question number.

2.1 A partnership may be started with a verbal agreement.

2.2 A private company must have the letters Ltd after the name.

2.3 Cash received by the business is always entered in the analysis of receipts column.

2.4 A service business must always have a consumable stores column in the cash payments journal

2.5 A service business must always have a current/fee income column in the cash receipts journal.

(5 x 2 marks) (10)

3. Choose a description from Colum B to match the term in Column A. Write only the letter next to the question number.

	Column A		Column B
3.1	Close corporation	A	Paid rent
3.2	Partnership	B	Purchased equipment for cash
3.3	Assets -; OE -	C	Minimum of 1 and max of 10 owners
3.4	Assets +; OE +	D	Received cash for services rendered
3.5	Assets -; Assets +	E	Minimum of 2 max of 20 owners

(5 x 2 marks) (10)

Section A total [30]

SECTION B: FINANCIAL LITERACY

4. Complete the Cash Receipts and Cash Payments Journal of Tanuka's Beauty Spar:
Cash Receipts Journal: (complete source documents)
Transactions: May 2013

5 Tanuka deposited R5 000 in the business bank account to increase capital. Paid Lowrens Cosmentics, R19 050 for consumable stores (Cheque 43). Cashed a cheque to pay for stationery, R356.
12 Issued receipt for services, R3 290
15 Tanuka paid Quick Airlines for airticket to her sisters wedding, R1 960
20 Issued receipt for services, R4 930 and received a bank statement showing R31 interest received from Robobank.
25 Beauty Supplies delivered R1 300 consumable stores and Tanuka paid for these.

[22]

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5. Do you think it is necessary to have cash journals in a business? Give reasons for your answers (8)

SECTION C: ENTREPRENEURSHIP

6. Tabulate FIVE differences between a sole trader and a public company. (20)

7. Tanuka would like to invite a friend who has recently moved to town to join her business. However, she does want to protect her friendship and is not sure if a business relationship is a good idea. Suggest a form of ownership that you think would suit Tanuka and her friend. Give reasons for your answer. (20)

Term 3 Additional test memorandum

Section	Ques	Topic			Cognitive levels			Mark	Marks
		Econ	Fin lit	Entrep.	1	2	3		
A	1		2, 2, 2	2, 2,	10			10	30
	2		2, 2, 2	2, 2,	10			10	
	3		2, 2, 2	2, 2	10			10	
B	4		22			22			23
	5		8				8		
C	6			20		20		20	40
	7			20			20	20	
Actual marks			48	52	30	42	28		100
Actual %					30%	42%	28%		
Required %					30%	40%	30%		

SECTION A

1.1 Close Corporation
1.2 Partnership
1.3 Bank statement
1.4 cheque counterfoil
1.5 public **(5 x 2 marks = 10)**

2.1 true
2.2 false
2.3 true
2.4 false
2.5 true **(5 x 2 marks = 10)**

3.1 C – minimum of 1 and max 10 owners
3.2 E – minimum of 2 and max of 20 owners
3.3 A – paid rent
3.4 D Received cash for services rendered
3.5 B – Purchased equipment for cash **(5 x 2 marks = 10)**

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SECTION B: FINANCIAL LITERACY

Question 4

Cash Receipts Journal of Tanuka's Spar for May 2013

Doc No	Day	Details	Fol	Analysis of receipts	Bank	Fee income	Sundry Accounts		
							Amount	Fol	Details
R56	5	Tanuka			5 000		5 000		Capital
R58	12	Cash		3 290	3 290	3 290			
R61	20	Cash		4 930	4 930	4 930			
BS		Robobank			31		31		Interest income
					31 090	26 060	5 031		
		(2)			(4)	(2)	(2)		(2)

(12)

Cash Payments Journal of Tanuka's Spar for May 2013

Doc No	Day	Details	Fol	Bank	Consumable stores	Sundry Accounts		
						Amount	Fol	Details
C43	5	Lowrens Cosmetics		19 050	19 050			
C45		Cash		356		356		Stationery
C47	15	Quick Airlines		1 960		1 960		Drawings
C48	25	Beauty Supplies		1 300	1 300			
				28 196	20 350	3 346		
		(2)		(2)	(2)	(2)		(2)

(10)
[22]

5. Use discretion with learners answers. They have been asked for their opinion. This must be supported by sound, logical reasons based on their knowledge. They must write 4 facts in full sentences (8)

SECTION C: ENTREPRENEURSHIP

6.

Sole trader	Public Company
Provides all the capital	Shareholders supply all capital buy purchasing shares in the company
Takes all the profit	Shareholders share the profit in the form of dividends. The amount of profit depends on the number of shares they own.
Personally responsible for business debts and personal possessions at risk	Public company is a legal personal and responsible for business debts – shareholders only lose their investment if shares
No continuity – life of business vested in life of sole trader	Public company is a legal personality and has continuity
No formalities for name	Name must end in limited
No formalities for formation	MOI and Prospectus must be certified by CIPLA before they can commence business
Financial records are personal	Financial records must be audited by a CA every year
Owner totally responsible for business decisions and management	Shareholders vote for a Board of Directors at the Annual General Meeting
(5 x 2 marks) (10)	(5 x 2 marks) (10)

(20 marks)

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7. Use discretion with the learners answers. They can only select a partnership or private company. A close corporation would be incorrect as these are not available in South African any more. Note: always allocate more marks that the maximum as the learners do not know exactly how you will be dividing the marks. They should identify that characteristics and advantages are required. In allocating marks, ensure that the learners will be able to obtain at least 50% if they answer only half the question.

	Max marks
Choice of form of ownership	4
Characteristics of form of ownership selected	8
Advantages of form of ownership	8
Conclusion: reason why you think it is a good/bad idea	4
Total	24
Maximum marks	**20**

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Additional mid-year examination

SECTION A 20 marks

QUESTION 1: MULTIPLE CHOICE (10 marks)

In each case, choose one answer from the list provided. Write only the letter next to the corresponding number.

1.1. Which of the following is a characteristics of a sole trader?
- A. The sole trader is a legal entity
- B. All capital for a sole trader is provided by the bank
- C. The business pays tax
- D. The owner is responsible for debts of the business

1.2. Which of the following markets are only open once or twice a week and sell mostly fresh produce?

A. Service market
- B. Retail market
- C. Farmers market
- D. Wholesale market

1.3. A(n) … is used to check that every debit has a corresponding credit.
- A. Balance sheet
- B. Trial Balance
- C. Income Statement
- D. General Ledger

1.4. The supply of labour depends on:
- A. Level of education and training
- B. How high the salaries are in a business
- C. The amount of leave employees are offered
- D. The number of large businesses in a province

1.5. Which of the following is not a level of government in South Africa?
- A. Local government
- B. National government
- C. International government
- D. Local government

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QUESTION 2: TRUE OR FALSE (10 marks)

In each case, state whether the following statements are true or false. Write only the words true or false next to the question number.

2.1. Cheques are used to complete the Cash Receipts Journal of a business.

2.2. A Balance Sheet is a financial picture of the business on a specific day.

2.3. Indirect taxes are levied by government on consumption and expenditure.

2.4. The accounting cycle: 1. subsidiary books, 2. source document, 3. General ledger, 4 Trial balance

2.5. Wood is seen as a natural resource.

SECTION B: The Economy 16marks

QUESTION3 **(10 marks)**

3.1. A wholesaler is responsible for meeting the needs of many participants in a market. Explain how the wholesaler meets the needs of manufacturers. (4)

3.2. Mdoni Housing Developments has applied to build a housing complex in an area that is the home of migrating birds. Suggest how this will impact the environment. (6)

QUESTION 4 **(6 marks)**

4.1. Describe the purpose of a National Budget. (2)

4.2. Do you think it is important for the Minister of Finance to draw up a National Budget? Give reasons for your answer? (4)

SECTION C: Financial literacy 29marks

QUESTION 5 – SOURCE DOCUMENTS **(12 marks)**

John Tate ordered a hand-crafted table from Samantha Jones on 24 August 2010. He receives the table on 27 September and decides to pay the total cost of R1 554.60 by issuing a cheque on the day.

5.1 Complete the missing details on the cheque as if you were John. (6)

SPARE BANK LTD

Not Transferable

Pay: or bearer

the sum of:

0074 9502100 292650100

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5.2 John has an overdraft facility on his current/cheque account. Comment on how this will assist him in his business. (6)

QUESTION 6 – CASH RECEIPTS JOURNAL **(11 marks)**

Use the transactions shown below to complete the Cash Receipts Journal of Gareth's Gardening for August 2013.

Transactions for August 2013

1 Cleaned the gardens of 3 small houses and received R1 050.Issued Receipt 36.

5 Received the rent for the month from Jenny Jones. She is renting part of a storeroom from Gareth's Gardening Service and pays R42 000 p.a.

13 Gareth, the owner increased his capital contribution with R30 000 by depositing the money directly into the bank account of the business.

24 Received R850, from Adrianwho bought 3 old hedge-cutters from Gareth's Gardening.

SECTION D: Entrepreneurship 16marks

QUESTION 7 - Factors of production **(16 marks)**

Jamming Jess

Jessica has always been creative and had a flair for fashion. She decided to open a shoe shop, her life-long dream, called Jamming Jess. The shop will sell only trend and fun shoes for all teenage girls and boys.

She is hard-working and committed to making a success of her business. She has a degree in business and therefore has the financial knowledge needed to make the business a success. Jessica is fully prepared to take the risk of opening a shoe store using her life savings, but that money is not have enough to finance the entire start-up costs involved in opening the store.

Jessica will employ two people to help her in the shop, her brother who studied fashion design and can therefore help her design shoes, and her best friend as a shop assistant.

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7.1. Name TWO government acts/legislation that Jessica must comply with in order to ensure that she has fair labour practice in her business. (2)

7.2. Identify TWO types of skills that Jessica needs for her business. (2)

7.3. Explain CAPITAL as a factor of production in Jessica's business. (6)

7.4. Do you think Jessica has the potential to be a successful entrepreneur? Give reasons for your answer. (6)

TOTAL = 75 MARKS

Additional mid-year examination memorandum

Section	Question	Economics	Financial literacy	Entrepreneurship	Total	
A	1	2, 2	2	2,2	10	20
	2	2	2.2.2	2	10	
B	3	10			10	16
	4	6			6	
C	5		12		12	23
	6		11		11	
D	7			16	16	16
	Total	20	33	22	75	75
	%	**26.6%**	**44%**	**29.3**		
Required total		**22.5**	**30**	**22.5**	75	
Required %		30%	40%	30%		

Question paper: Summary of cognitive levels

Section	Question	Level 1–30% (knowledge)	Level 2–40% (apply)	Level 3–30% (analyse)	
A	1	2.2.2.2	2		10
	2	2.2.2.2.2.			10
B	3		4	6	10
	4	2		4	6
C	5		6	6	12
	6		11.		11
D	7	2.2	6.	6	
	Total	**24**	**29**	**22**	**75**
	%	**32%**	**38.6%**	**29.3%**	
Required total		22.5	30	22.5	
Required %		30%	40%	30%	

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SECTION A 20 marks

QUESTION 1: MULTIPLE CHOICE (10 marks)

1.1. D
1.2. C
1.3. B
1.4. A
1.5. C

[1 x ✓✓ = 20]

QUESTION 2: TRUE OR FALSE (10 marks)

2.1. False
2.2. True
2.3. True
2.4. False
2.5. True

[1 x ✓✓ = 10]

SECTION B: The Economy — 16 marks

QUESTION 3 **(10 marks)**

3.1. A wholesaler purchases large quantities of goods from manufacturers ✓✓
A wholesaler makes the goods of manufacturers available for sale to consumers ✓✓ (4)

3.2. The housing development will have a negative impact on the environment as it will affect the migrating birds. ✓✓
– the developer needs to do a study on the impact this will have on the environment. ✓✓
– the development will create jobs for people in the area ✓✓
– there is a shortage of housing and this is more important than the migrating birds. ✓✓ (max 6)

QUESTION 4 **(6 marks)**

4.1. The national budget is a plan on where the government levies will obtain income and how they will spend it ✓✓ (2)

4.2. Use discretion with learners answers as they have been asked for their opinion. This must be supported with valid, logical facts. Sample answer:
– Yes I do think it is important as the government is using public money and must be answerable to the public. ✓✓
– A budget ensures that the money is spent wisely and in the most efficient way. ✓✓
– The list of estimated expenses will give a guide on how much money must be collected in taxes and. ✓✓ (Max 4)

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SECTION C: Financial literacy — 31 marks

QUESTION 5 – SOURCE DOCUMENTS **(12 marks)**

5.1

SPARE BANK LTD
Not Transferable
27 September 2010
Pay: Samantha Jones
or bearer
the sum of: One thousand five hundred and fifty four rand
and sixty cents only
R1 554.60
0074 9502100 292650100
John Tate

– 2 marks per mistake. Maximum – 6

TERM 4

5.2 – John can withdraw more money from his cheque account that he actually has ✓✓
– it will help him if he does not have enough money to pay expenses at the end of the month ✓✓
– he only uses this facility if he needs it ✓✓
– he only pays interest on the amount he uses for the number of days it is used. ✓✓ (max 6)

QUESTION 6 – CASH RECEIPTS JOURNAL (11 marks)

Cash Receipts Journal of Glenda's Gardening for July 2012 CRJ10

Doc no	Day	Details	Analysis of Receipts		Bank		Current Income		Sundry Accounts			
									Amount		Fol	Details
R36	1	Services Rendered	1 050	00	1 050	00	1 050	00				
R37	1	Jenny Jones	3 500	00	3 500	00			3 500	00		Rent Income
R38	18	Gareth			30 000	00			30 000	00		Capital
R39	21	Adrain	850	00	850	00			850	00		Equipment
					35 400	00	1 050	00	34 350	00		

- one mark for each amount in Analyisis of receipts (only if whole line from source document to amount is correct) (3)
- one mark for each amount in Bank and Current Income (5)
- one mark for each amount + account in Sundry accounts (must both be correct) (3)
- no mark for totals

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SECTION D: Entrepreneurship 16 marks

QUESTION 7 – Factors of production (16 marks)

7.1. Labour Relations Act ✓
Employment Equity Act ✓ (2)

7.2. Skilled, semi-skilled, unskilled (any 2 × 1 mark) (2)

7.3. Capital is the amount of money and the value of goods that the owner uses to start a business. ✓✓
– this can be from the owners own private savings (own capital) ✓✓
– it can also be borrowed from the bank. ✓✓
– the owner receives profit as reward for investing money in a business. ✓ (max 6)

7.4. Use discretion with learners answers. They must give their opinion and support this with logical, valid answers that apply to the case study. The learners should recognize that the characteristics of an entrepreneur – and in particular Jessica – are required. Sample answer:
Jessica has the potential to be successful as she has many entrepreneurial characteristics. ✓✓
– she has a degree in business which will give her knowledge of how to run a business, keep the financial records and strick control over the finances. ✓✓
– She is hard working and committed to making her busines a success ✓✓
– She is a risk taker as she is prepared to risk her own savings to start her business ✓✓ (6)

TOTAL = 75 MARKS

Additional exemplar end-of-year examination

SECTION A (40 marks)

QUESTION 1: TRUE OR FALSE (10 marks)

Write only the word 'true' or 'false' next to the question number:

1.1. The payee is the person in possession of the cheque.
1.2. A cheque counterfoil is a source document.
1.3. A cheque must always be paid into a bank account.
1.4. Seppie's Hairdressers is an example of a retail business.
1.5. A business uses the services market to employ workers. **(5 × 2 marks)**

QUESTION 2: FILL IN THE MISSING WORD (10 marks)

Write only the missing word(s) next to the question number:

2.1. Owners of a _____ are known as members.
2.2. The role of _____ government is to provide roads for the local community.
2.3. VAT is an example of _____ tax.
2.4. Income tax is an example of _____ tax.
2.5. A _____ form of business ownership allows for the most freedom for creativity and innovation.

(5 × 2 marks)

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QUESTION 3: MATCH THE COLUMNS (20 marks)

COLUMN A	COLUMN B
3.1. Source document used to record cash receipts for selling a slab of chocolate	A. Analysis of receipts
3.1. Taxes on imported goods	B. Autocratic
3.1. Stationery	C. Bank
3.2. Leader who does not listen to the opinions of others	D. Customs duties
3.3. An insurance company	E. Democratic
3.4. A decrease in economic growth	F. Balance sheet
3.5. Assets and liablities of a business are entered in this section of the trial balance	G. Expense
3.6. A column in the Cash receipt journal that is used to record cash received for services rendered.	H. Income Statement
3.7. Document regulating the relationship between partners	I. Legal entity
3.8. Document showing whether the business made a profit or a loss	J. Partnership agreement
	K. Recession
	L. Secondary
	M. Tertiary
	N. Till slip

(10 × 2 marks)

SECTION B: The Economy — 30 marks

QUESTION 5 **(12 marks)**

There has been some relief for individuals in Income tax in the National budget of 2011/2012.

5.1. When will the new budget provisions come into effect? (2)

5.2. Explain the term 'social grants' and give TWO examples. (6)

5.3. Suggest how an increase in the National Budget for social grants will assist a pensioner? (4)

QUESTION 6 **(18 marks)**

6.1. Define unemployment. (4)

6.2. Describe the market where an unemployed person may find a job. (4)

6.3. Explain TWO impacts unemployment has on South Africa. (4)

6.4. A large factor in unemployment is the unskilled labour force in the country due to poor education and other inequalities brought about by apartheid. Do you think the Government can address this using the National Budget? Give reasons for your answer. (6)

SECTION C: Financial literacy — 50 marks

QUESTION 8 **(16 marks)**

8.1. Use the following source document to answer the questions that follow?

Review Copy

Hilda's Hair
6 Breadley street
Claremont
7602

No. 6152

Date: _____

Received from: _____

for _____

the sum of _____

R	C

_____

With thanks _____

8.1.1. Name this source document called? (2)

8.1.2. Explain the purpose of this source document. (4)

8.1.3. Name the parties involved in the use of this source document. (4)

8.1.4. Who would sign the document? (2)

8.2. Once a month the bank will sends Speedy Services, a delivery business, a summary of all the transactions that have taken place in their bank account throughout the month.

8.2.1. What is the name of the document the bank will send Speedy Services? (2)

8.2.2. Name TWO things that could appear on this document that the business won't already have recorded on a source document. (4)

QUESTION 9: ACCOUNTING EQUATION **(10 marks)**

Graeme Longridge won R100 000 and started a car wash business called Clean-ups. His transactions for the month were:

Transactions for October 2006:

1 Deposited half of the amount he has won into a current banking account as his capital contribution.

5 Purchased shampoo, wax and cloths for R850.

7 Bought a cash register, R1 200, a desk R2 400 and 2 chairs for R320 each.

14 Received R440 for cars he had washed.

31 Paid the rent for the month. Rent amounts to R16 800 p.a.

QUESTION 10: LEDGER **(24 marks)**

Post the information of Sally's Sewing Service, provided below, to the following accounts in the General Ledger :

- Equipment (7)
- Bank (8)
- Current Income (4)
- Advertising (5)

INFORMATION:

The following are some of the balances that appeared in the books on 1 October 2012.

Equipment	R 44 000
Bank	R 32 000
Current Income	R 11 800
Wages	R 4 800

Review Copy

Cash Receipts Journal of Sally's Sewing Service for October 2012 **CRJ10**

Doc no	Day	Details	Analysis of Receipts		Bank		Current Income		Sundry Accounts			
									Amount		Fol	Details
R29	1	Sally Hudson	25 000	00	25 000	00			25 000	00		Capital
R30	5	Services Rendered	2 100	00	2 100	00	2 100	00				
R31	13	Julie James	4 800	00					4 800	00		Rent Income
R32	17	Services Rendered	1 560	00	6 360	00	1 560	00				
R33	28	Morgan Moses	12 500	00	12 500	00			12 500	00		Equipment
					?		3 660	00	42 300	00		

TERM 4

Cash Payments Journal of Sally's Sewing Service for October 2012 **CPJ10**

Doc no	Day	Name of Payee	Fol	Bank		Wages		Stationery		Sundry Accounts			
										Amount		Fol	Details
C75	2	Eddy's		20 000	00					20 000	00		Equipment
C76	3	Smart Shopper		880	00					880	00		Material Costs
C77	5	Cash		3 400	00	3 400	00						
C78	16	Pen & Paper		1 330	00			1 330	00				
C79	22	Media Mania		1 600	00					1 600	00		Advertising
C80	25	Safe Insure		1 900	00					1 900	00		Insurance
C81	27	Cash		4 400	00	4 400	00						
C83	31	Stats		860	00					860	00		Advertising
				34 370	00	7 800	00	1 330	00	25 240	00		

SECTION D: Entrepreneurship 30 marks

QUESTION 11 **(16 marks)**

There are three levels of management in a business and each manager could have a different leadership style.

11.1. Explain the role of middle management in a business. (2)
11.2. Explain what is meant by democratic leadership and Free-reign leadership. (4)
11.3. Give one advantage and one disadvantage of each leadership style. (8)
11.4. Is it better for a leader to have only one style of leadership? Explain your answer. (2)

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QUESTION 12 **(14 marks)**

James would like to open a construction company. He is a qualified engineer and would like to go into the business of building low-cost housing in South Africa.

He has been asking advice from friends that have studied business degrees and they are suggesting that he either start his business as a partnership or a private company. He was warned that he should definitely not start a close corporation as his friend said there were too many disadvantages to that form of ownership.

12.1. What two forms of capital are available to James? (4)
12.2. How is remuneration provided for the use of capital? (2)
12.3. What form of ownership would you suggest James choose? Give ONE reason for your choice. (4)
12.4. Identify TWO disadvantages of having a close corporation. (4)

TOTAL = 150 MARKS

Additional end-of-year examination memorandum

SUMMARY:

Sec.	Ques.	Topic			Cognitive level			Marks	Total
		Econ.	Fin. Lit	Entrep.	1	2	3		
A	1	2	2.2.2.	2	2.2.2.2.2			10	40
	2	2.2.2		2.2	2.2.2.2.2			10	
	3	2.2	2.2.2.2.2	2.2.2.	20	2		20	
B	4	12			2	6	4	12	30
	5	18			2	4.4	6	18	
C	6		8			8		8	50
	7		42			24	18	42	
D	8			16	2	8	6	16	30
	9			14		4.4	6	14	
Total Marks		42	66	42	46	64	40		150
Actual %		28%	44%	28%	30.6%	42.6%	26.6%		
Req. %		30%	40%	30%	30%	40%	30%		

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SECTION A 40 marks

QUESTION 1: TRUE OR FALSE (10 marks)

1.1. True
1.2. True
1.3. False
1.4. False
1.5. False

[5 × ✓✓ = 10]

QUESTION 2: FILL IN THE MISSING WORD (10 marks)

2.1. Close corporation
2.2. local
2.3. indirect
2.4. direct
2.5. Sole trader

[5 × ✓✓ = 10]

QUESTION 3: MATCH THE COLUMNS (20 marks)

3.1. N (till slip)
3.2. D (customs duties)
3.3. G (expense)
3.4. B (autocratic)
3.5. M (tertiary)

3.6. K (recession)
3.7. F (balance sheet section)
3.8. A (analysis of receipts)
3.9. J (partnership agreement)
3.10. H (Income statement)

[10 × ✓✓ = 20]

SECTION B: The Economy 30 marks

QUESTION 4 **(12 marks)**

There has been some relief for individuals in Income tax in the National budget of 2011/2012.

5.1. March ✓✓ (2)

5.2. A Social grant is money that is allocated to people who do not have enough money or a job to provide for their families. ✓✓ People must qualify and apply to the Department of Social Development to obtain a grant. ✓✓
E.g. pension, child support, foster care, war veterans (any 2 × 1 mark each) (6)

5.3. An increase in the budget for social grants will help those who are unable to provide for their families to purchase basic needs. ✓✓ The price of goods is increasing and they will be able to purchase more food etc. ✓✓ (4)

QUESTION 5 **(18 marks)**

5.1. Unemployment is when a person is actively seeking a job, but unable to find one. ✓✓
– when a person does not have a regular job. ✓✓ (4)

5.2. The factor market/ labour market. ✓✓
– this is the physical and mental effort that people use to perform work. ✓✓
– it is skilled, semi-skilled and unskilled labour ✓✓ (max 4)

5.3. Increase in poverty ✓✓
Decrease in standard of living ✓✓
Decrease in economic growth ✓✓
Decrease in demand for goods and services ✓✓
Increase in crime ✓✓ (max 4)

5.4. Use discretion with learners answers. They must give their opinion and support this with logical, valid reasons. Sample answer:
Yes I do think the government can address unemployment through the National Budget. ✓✓
– they can provide education and training for unemployed people ✓✓
– allocate funds for job creation e.g. skills training ✓✓
– they can provide funds to pay for people to work in businesses to obtain work experience ✓✓ (max 6 marks)

Review Copy

SECTION C: Financial literacy 50 marks

QUESTION 6 (16 marks)

Date	Asets	Liablities	Owner's Equity
E.g.	Bank + R10 000	0	Capital + R10 000
5	Bank – R850✓	0	Consumable stores ✓
7	Bank – R4 240✓ Equipment + 4 240✓	0	0
14	Bank + R440✓	0	Fee income +R440✓
31	Bank – R1 400✓	0	Rent – R1 400✓

(8)

QUESTION 10: LEDGER (24 marks)

7.1

Dr	GENERAL LEDGER OF SALLY'S SEWING SERVICE										Cr
Balance Sheet Accounts Section											
Equipment									B4		
2012 Oct	1	Balance	b/d	44 000	00	2012 Oct	28	Bank	CRJ	25 000	00
	2	Bank	CPJ	20 000	00		31	Balance	c/d	39 000	00
				64 000	00					64 000	00
2012 Nov	1	Balance	b/d	39 000	00						
Bank									B5		
2012 Oct	31	Total Receipts	CRJ	45 960	00	2012 Oct	1	Balance	b/d	32 000	00
		Balance	c/d	20 410	00		31	Total Payments	CPJ	34 370	00
				66 370	00					66 370	00
						2012 Nov	1	Balance	b/d	20 410	00
Nominal Accounts Section											
Fee Income									N1		
						2012 Oct	1	Total	b/f	11 800	00
							31	Bank	CRJ	3 660	00
										15 460	00

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EQUIPMENT

- 1 mark for balance b/d and c/d (whole line correct)
- 2 marks per entry: 1 for date, other account and journal; 1 for amount. (debit and credit side)
- 1 accept mark for balance brought down to next month, even if amount is wrong as long as everything else is correct in the line

BANK
- 1 mark for balance b/d or c/d (whole line correct)
- 2 marks per entry (total payment): 1 for date, other account and journal; 1 for amount.
- 3 marks for total receipts: 1 for date, other account and journal; 2 for amount
- 1 accept mark for balance brought down to next month, even if amount is wrong as long as everything else is correct in the line

FEE INCOME
- 1 mark for total b/f (whole line correct)
- 2 marks per entry: 1 for date, other account and journal; 1 for amount.

7.2 Use discretion with learners answers. They must comment and explain a bank overdraft. Sample answer:
– Sally has a bank overdraft that has decreased in the past month. ✓✓ A bank overdraft means that she can use more money than she has in her bank account. ✓✓ The bank charges interest on the amount used for the number of days that it is used. ✓✓ She must try to get this down as quickly as possible as the interest is a cost to the business. ✓✓ She should use a budget to ensure that she does not spend money on unnecessary things. ✓✓ (max 10)

7.3 Sally's accounting is correct. ✓✓ A trial balance only indicates that every transaction has been entered once on the debit and once on the credit side ✓✓ of two separate general ledger accounts. ✓✓ Sally could have entered a transaction on the correct side but in the incorrect account. ✓✓ The trial balance is a list of the final balances and totals in the general ledger accounts. ✓✓ (max 10)

7.4 Sally must use subsidiary journals as they give more detail than if each transaction was entered directly in the general ledger. ✓✓ It saves time as only the totals of most of the columns are transferred to the general ledger. ✓✓ The transaction is entered once in the journal but it would be entered twice if only the general ledger was used. ✓✓ The general ledger accounts would be very long and become cumbersome if journals were not used. ✓✓ (max 6)

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SECTION D: Entrepreneurship 40 marks

QUESTION 8 **(20 marks)**

8.1. Responsible for breaking down vision and goals set by top management into maneagable tasks that can be performed to meet those goals. ✓✓

8.2. Democratic leadership – leader allows for input from emplyees ✓✓ and decisions are made based on a vote. ✓✓ (max 4)
Free-reign leadership – leader gives employees freedom to do tasks as they see fit ✓✓ and only steps in/assists if asked to do so. ✓✓ (max 4) (8)

8.3. Use discretion with learners answers as they must give their opinion and support this with valid, logical facts. Sample answer :
No as a leader needs to adapt their leadership style to suit the people who work under them. ✓✓ Some people prefer autocratic leadership as they know what is expected of them and need guidance. ✓✓ Others prefer to be given a task and be left to get on and complete it in the best way they can. ✓✓ They prefer to make some decisions based on their specific knowledge and experience. ✓✓ (max 6)

QUESTION 9 **(20 marks)**

9.1. Borrowed Capital is when the owner borrows money from a bank to expand the business or to start a busienss. ✓✓ The bank charges interest on this amount. ✓✓ The loan must be repaid in specific installments over a specified period of months. ✓✓ (max 4)
Borrowed Capital ✓✓

9.2. Disadvantages of close corporation
– the capital is limited to only 10 owners✓✓
– the new Companies Act (71 of 2008) does not permit new close corporations ✓✓
– all owners must be involved in the CC ✓✓

9.3. Use discretion with learners answers. The can choose a partnership or private company. A close corporation would be incorrect as the new Companies Act does not permit new CC's.
– Partnership:
He can invite friends who have different skills that will complement his to join him ✓✓
He will be able to raise capital from up to 20 partners ✓✓
Easy and quick to establish. ✓✓
The problem with a partnerhsip is that his personal possessions will be at risk. ✓✓ (max 6)

OR
Private Company
– his personal possessions will be protected unless he acts negligently ✓✓
– capital is only limited to the number of shares sold privately to investors ✓✓
– investors do not have to be involved in the daily management of the business ✓✓
– It is more difficult to establish. ✓✓ (max 6)

TOTAL = 150 MARKS

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Glossary

Accounting cycle: describes the process of recording financial transactions from the time the transaction occurred to the time it appears in the financial statement

Accounting equation: Assets = owner's equity + liability

Accounting period: the financial year – the period for which a firm prepares its internal or external accounts; the period covered by the financial statements.

Affirmative action: actions taken by a business to offer equal opportunities to previously disadvantaged people

Analysis: analysis of receipts is the value of each receipt; analysis columns are the values entered for each specific amount

Autocratic: being completely in charge

Balance sheet: reflects the financial position of a business at a specific date

Balancing: summarising accounts in the General Ledger into the amount each year

Bank statement: a record of the account holder's transactions over a set period of time

Borrowed capital: any money borrowed by an entrepreneur or business owner for the purpose of establishing and running a business

Capital market: where money, in the form of shares, is obtained to start a large business

Capital: the initial contribution made by the owner of a business – this can take the form of money or useful items that might be needed in the business, e.g. a car

Cash receipts: all money received in a business is classified as cash receipts

Cash register slip: proof that a transaction has taken place

Cheque counterfoil: the part of the cheque that remains in the cheque book that is used to record transactions

Cheque: a written order to pay a specific amount of money from a current bank account to the person whose name is written on it

Direct tax: drawn from personal income tax payments from individuals and from taxes paid by businesses on their profits.

Economic development: higher standard of living due to an increase in the number of goods and services produced.

Factor market: the place where factors of production are bought and sold

Financial market: any type of financial transaction that helps a business grow or helps an investor to make money

Government revenue: income that government receives from various sources such as direct and indirect tax

Income statement: shows if a business has made a profit or a loss

Indirect taxes: levied by government on our consumption and expenditure, e.g. businesses pay customs duties on imported goods and individuals must pay custom duties on goods that they buy overseas.

Labour market: the place where employers and employees come into contact. It is not a specific place – employers advertise jobs in newspapers, on the internet, and so on

Liability: an obligation to pay back a debt

Local government: consists of municipalities; local government responsible for local roads traffic, clinics, libraries, sewage, water and transport

Natural resources: naturally occurring materials of the planet used for production of goods and services, e.g. land, water, wildlife, minerals

Overhead costs: business expenses such as rent that are not directly attributable to any department or product

Owner's equity: the total assets minus the total liabilities of an individual or business

Receipts: source documents that a business issues as proof that an amount of money has been received.

Sole trader: person who conducts business in a personal capacity

Source document: the original record that contains the details of the transaction

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