HEADSTART

Economic and Management Sciences

TEACHER'S GUIDE

GRADE 9

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Section I: Introduction

How this course works

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

The Learner's Book

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

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

The Teacher's Guide

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

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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 1: Introduction

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

Section 2: Planning and assessment in the Senior Phase

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

Section 3: Teaching and learning EMS

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

Section 4: Term plans for teaching EMS

Section 5: Resources for teaching EMS

An overview of the EMS Curriculum and Assessment Policy Statement

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

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

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

Source: Curriculum and Assessment Policy Statement, Economic and Management Sciences Grades7–9, 2011

Instructional time allocation

The instructional time in the Senior Phase is as follows:

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

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

Requirements for teaching and learning EMS

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

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

Section 2: Planning and assessment

Overview of EMS Topics

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

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

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Teaching plan for EMS Grade 9

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

and is cross-referenced to suitable activities in the Learner's Book.

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

Term and Week	Topics	Unit	Activities and assessment	Time	LB pages	TG pages
Term 1						
Week 1	**Grade 8 Revision** Term 1 Overview		Revision questions and answers	2 hours	10–12	24–26
Term 1	**Financial literacy**					
Weeks 2–4	**Cash Receipts Journal and Cash Payments Journal (sole trader)** Cash transactions of a trading business Effect of cash transactions on the accounting equation	Unit 1	1–8 **Formal assessment:** Assignment	3 hours	13–25	27–41
Term 1	**The Economy**					
Weeks 2–4	**Economic systems** The three major economic systems: a planned economy, market economy and mixed economy Origin of each economic system Advantages and disadvantages of each economic system Characteristics of each economic system The global economy	Unit 2	1–5	3 hours	26– 36	41–47
Term 1	**Financial literacy**					
Weeks 5–10	**General Ledger and trial balance (sole trader)** Posting of cash transactions of a trading business from Cash Receipts Journal (CRJ) and Cash Payments Journal (CPJ) to General Ledger Preparing a trial balance for a trading business	Unit 3	1–5	6 hours	37–51	47–75
Term 1	**The Economy**					
Weeks 5–10	**The circular flow** The participants in the circular flow of a closed economy Flow of goods and services, money and factors of production in the circular Flow of a closed economy Illustrate by using a flow diagram	Unit 5	1–3 **Formal assessment:** Controlled test	6 hours	52–61	76–80
Term 2						
Week 1	Term 1 Revision Term 2 Overview		Revision questions and answers	2 hours	64–66	86

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Term and Week	Topics	Unit	Activities and assessment	Time	LB pages	TG pages
Term 2	**Financial literacy**					
Weeks 2–7	**Credit transactions – debtors** Credit sales Debtors National Credit Act Debtors allowance Accounting cycle Recording of transactions to Debtors Journal (DJ) Debtors Allowances Journal (DAJ) Recording of receipts from debtors in the Cash Receipts Journal (CRJ)	Unit 1	1–10	6 hours	67–79	87–98
Term 2	**The Economy**					
Weeks 2–7	**Price theory** Law of demand, demand schedule and graphical illustration of the demand curve Law of supply, supply schedule and graphical illustration of the supply curve Equilibrium price and quantity Change in quantity demanded Change in quantity supplied Increase and decrease in demand Increase and decrease in supply Graphical illustration of the changes in demand and supply	Unit 2	1–6	6 hours	80–92	98–105
Term 2	**Entrepreneurship**					
Weeks 8–9	**Sectors of the economy** The primary sector, the secondary sector, and the tertiary sector Types of businesses found in the three sectors The interrelationship of the three sectors Sustainable use of resources in the three sectors The role of the three sectors in the economy Types of skills required in each sector	Unit 3	1–4 **Formal assessment:** Data response	4 hours	93–107	105–110
Weeks 9–10	**Mid-year examination**		**Formal assessment**	1 hour for paper	104–107	113–115

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Term and Week	Topics	Unit	Activities and assessment	Time	LB pages	TG pages
Term 3						
Week 1	Term 2 Revision Term 3 Overview		Revision questions and answers	2 hours	110–112	116–118
Term 3	**The Economy**					
Weeks 2–5	**Trade unions** Concept of trade unions Brief historical development of trade unions The roles and responsibilities of trade unions in South Africa Effect of trade unions in businesses Contribution of trade unions to sustainable growth and development	Unit 1	1–4 **Formal assessment:** Project	4 hours	113–121	119–123
Term 3	**Financial literacy**					
Weeks 2–5	**Credit transactions – debtors** Posting to the Debtors Ledger and General Ledger Effect of credit transactions on the accounting equation	Unit 2	1–6	4 hours	122–137	123–141
Weeks 6–8	**Credit transactions – creditors** Creditors Creditors allowance Accounting cycle Recording of transactions in the Creditors Journal (CJ) and Creditors Allowances Journal (CAJ)	Unit 3	1–4	3 hours	138–147	142–146
Term 3	**Entrepreneurship**					
Weeks 6–8	**Functions of a business** Functions of a business: administration, purchasing, marketing, finances, public relations, human resources, production, general management, risk management Characteristics of the business functions Role and importance of the business functions	Unit 4	1–7	3 hours	148–159	147–151
Term 3	**Financial literacy**					
Weeks 9–10	**Credit transactions – creditors** Recording of payments to creditors in the Cash Payments Journal (CPJ) Posting to the Creditors Ledger and General Ledger Effect of credit transactions on the accounting equation	Unit 5	1–4 **Formal assessment:** Controlled test	2 hours	160–171	152–163
Term 4						
Week 1	Term 3 Revision Term 4 Overview		Revision questions and answers	2 hours	172–176	170–171

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Term and Week	Topics	Unit	Activities and assessment	Time	LB pages	TG pages
Term 4	**Financial literacy**					
Weeks 2–7	**Transactions – cash and credit** Recording of cash and credit transactions of a sole trader in the subsidiary journals Posting from the Debtors Journal (DJ), Debtors Allowances Journal (DAJ), Creditors Journal (CJ), and Creditors Allowances Journal (CAJ) to General Ledger; Debtors Ledger (DL) and Creditors Ledger (CL) Preparing of a trial balance	Unit 1	1–8	6 hours	177–188	172–197
Term 4	**Entrepreneurship**					
Weeks 2–7	**Business plan** Concept of a business plan Components of a business plan Format of a business plan (the front cover, table of contents, description of the product or services offered by the business, goals of the business, the business owner, production plan, marketing plan, management plan, SWOT (strengths, weaknesses, opportunities, threats) analysis and conclusion) Financial plan (fixed and variable costs, break-even points, mark-up on sales, profit percentage)	Unit 2	1–6	6 hours	189–199	198–202
Weeks 8–9	**Examination preparations** Revision of the year's work Study techniques Examination writing skills		Revision questions and answers	4 hours	200–207	
Week 10	**Final examination**		**Formal assessment**	2 hours for paper	208–212	203–208

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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 for EMS

Type of assessment	Description
Baseline assessment	Establishes whether learners meet basic skills and knowledge level required Helps teacher to plan for the year and for each learner Is administered at the beginning of the year and before a particular topic Results are used as a guide for teaching and not for promotion purposes.
Diagnostic assessment	Informs the teacher about certain specific problem areas that may hinder performance May help to 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 should 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 9

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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 in the EMS CAPS.

The table below presents the formal assessment opportunities in this Grade 9 course and shows the breakdown between SBA and the final examination:

Programme of Assessment							
	Term 1		Term 2		Term 3		Term 4
Task (Form of assessment)	**Task 1** Assignment (Week 5)	**Task 2** Controlled test (Week 10)	**Task 3** Class test/data response (Week 7)	**Task 4** Mid-year examin-ation (Week 9)	**Task 5** Project (Week 5)	**Task 6** Controlled test (Week10)	Final examin-ation (Week 10)
Activity in Learner's Book	Assignment, page 209	Exemplar controlled test, page 210	Data response, page 213	Exemplar mid-year examin-ation, LB page 104	Project, page 221	Exemplar controlled test, page 222	Exemplar final examin-ation, LB page 208
Assessment tool	Rubric	Memoran-dum	Rubric	Memoran-dum	Rubric	Memoran-dum	Memoran-dum
Total marks	50 marks	100 marks (60 minutes)	50 marks	100 marks (60 minutes)	50 marks	100 marks (60 minutes)	200 marks (120 minutes)
Percentage of year mark	Tasks 1 – 6 make up the school-based assessment (SBA): 40%						Final examin-ation mark: 60%

Practical guidelines for assessing the types of formal assessment for EMS

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

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

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

Tests and examinations

These are individual assessment tasks. Tests and examinations for formal assessment should be conducted under controlled conditions. This means that they should be completed by all classes in the same grade on the same day, and that all learners in the same grade should 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 9, learners must be given an hour to complete the term tests. Both term tests are out of 100 marks. Learners write an hour-long mid-year examination out of 100 marks in Term 2. This examination must cover work done in Terms 1 and 2. The final examination at the end of Term 4 is based on the year's work. This examination is out of 200 marks in Grade 9 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. A variety of question types for these sections is also suggested: short-answer questions, paragraph-style questions, diagrams, cartoons, graphs, scenarios and case studies.

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

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

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 5 of this guide, this course presents the terminology that will help to introduce questions pitched at the appropriate cognitive level. Learners should get as much exposure to these words as possible before tackling formal assessments. The activities 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 expand 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.

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

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

Assignments

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

Case studies and data responses

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

Learners have to read or listen to the case study before answering the questions that are both based on and related to the content. Questions can range from lower order questions, when learners respond to or provide direct quotes from the article, to higher order questions, where learners 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 learners 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 following table.

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

Section 3: Teaching and learning EMS

Teaching EMS in the Senior Phase

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

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

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

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

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

Grade 9 is a crucial year in the teaching of EMS: learners are required to make a choice between content subjects in Grade 10. One of these subject choices will be Accounting. Learners will choose this subject based on their career aspirations, experience and level of success achieved in EMS in Grade 9. It is very important that teachers lay a good foundation for basic accounting skills in Grades 8 and 9 in order to facilitate suitable

and appropriate subject choice.

Inclusive teaching

What is inclusive teaching?

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

Inclusion is about acknowledging and respecting that:

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

Inclusion is also about:

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

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

Practical guidelines for inclusive teaching

- Have a true understanding of each learner's background, strengths, unique abilities, needs and barriers. Then use this information to inform your planning and give a clearer focus.
- Remember that the teacher is a facilitator of learning.

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

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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 while they are 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.

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

1. Choose a short piece of text and note where you will stop during reading to model your thought processes.

2. Things to include in this planning stage could be:
   - reading the text title and the table of contents
   - looking at the images and predicting what the text may be about
   - skim-reading the text looking for headings, words in bold, and summaries. As you skim read, think about what you already know about the subject and what more you would like to know.

3. In class, explain to the learners what you will be doing. Start by explaining how you planned before reading the text.

4. To monitor understanding during reading, you can explain where you stopped to ask yourself whether you understood the content. If the text has a long or complex sentence, describe how you divided it up to understand it. Find places where you could ask questions such as:
   - Why would this …?
   - Is this similar to ... ?
   - How can I figure out what this new word means?
   - What does the writer want me to know?
   - What do I think will happen next? Why do I think that?
   - Do I need to re-read this for detailed information?

5. Now show learners how to evaluate their metacognitive strategies by asking and answering questions such as:
   - Did I read and understand this well?
   - What helped me to understand? What did not help?
   - What should I do next time I read about this topic?
   - What will help me to remember what I have 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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Section 4: Term plans for teaching EMS
Term 1 Financial literacy and The Economy

Term overview

In this term the learners will be taught to post cash transactions of a trading business from Cash Receipts Journal (CRJ) and the Cash Payments Journal (CPJ) to the General Ledger. They will also learn how to draw up a trial balance for a trading business.

Resources

- Learner's Book, pages 8–61
- Learners' own exercise books: exercise book, General Ledger, 8-column cash books, calculator

Content coverage

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UNIT	CONTENT	PACING (TIME ALLOCATION)	LB PAGES	TG PAGE
1	**Financial literacy:** Cash Receipts Journal and Cash Payments Journal (sole trader)	3 hours	13–25	27
2	**The Economy:** Economic systems	3 hours	26–36	41
3	**Financial literacy:** General Ledger and trial balance (sole trader)	6 hours	37–51	47
4	**The Economy:** The circular flow	6 hours	52–61	76

Assessment

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

ACTIVITY				ASSESSMENT	
Type of activity	**Activity**	**LB pages**	**TG page**	**Assessment tool**	**TG page**
Assignment	Draw up a presentation on economic systems	–	80	Rubric	81
Controlled test	Term 1 Exemplar controlled test	–	82	Memorandum	82–83

Core concepts and definitions

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

Concept	Definition
Balance	Difference between debit and credit sides of balance sheet section accounts
Balance sheet section	All the assets and liability accounts – these accounts are used to draw up the balance sheet
Calculating cost price	$\frac{\text{Selling price} \times 100}{100 + \text{mark-up percentage}} = \text{CP}$
Cost price	The price the business actually pays for the goods
Double-entry principle	Every transaction is entered in two different General Ledger accounts: once on the debit side and once on the credit side of a different account
General Ledger	A book that contains all the accounts for the business
Mark up	The percentage or amount added to the cost price – it must cover overheads and profit
Nominal section	All income and expense accounts – used to draw up the income statement to calculate profit
Selling price	The price the goods are sold for = cost price + mark up
Total	Differences between debit and credit sides of nominal section accounts
Trade discount	A discount given for bulk purchases – this is not recorded in the financial records of the business.
Trading stock	Accounting term for goods that are purchased so that they can be resold at a profit
Trial balance	List of all the accounts in the General Ledger with their final balance/total

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Grade 8 Revision
Financial literacy

Suggested answers to revision questions

1. Balance sheet section ✓ nominal section ✓ (2)
2. Balance sheet section is used for all asset and liability accounts. ✓✓ These are used to draw up the balance sheet at the end of the financial year. ✓ (Max. 4)
   The nominal section contains all the income and expense accounts. ✓✓ It is used to calculate the profit or loss of the business. ✓✓ It is used to draw up the income statement to calculate profit. ✓✓ (Max. 4) (8)
3.

Cash Receipts Journal	Cash Payments Journal
Use to record cash received by the business ✓✓	Use to record all cash or cheque payments made by the business ✓✓

Source documents are cash invoice, receipt and cash register till roll/slip. ✓✓	Source documents are cheque counterfoil or EFT printout ✓✓
Money received in the cash till is recorded in the analysis of receipts column first. ✓✓	All money paid is immediately entered in the bank column. ✓✓
Only when money is paid directly into the bank account or physically deposited in the bank account is it recorded in the bank column ✓✓	

(Max. 6)

4. Use discretion with the learners' answers. They must suggest keeping journals and a ledger; keeping personal and business records separate.
   Sample answer: Jim must open a separate bank account for the business so that the business records are completely separate from his own. ✓✓Even though he does an average of only 10 jobs a month, he should use subsidiary journals to enter his slips of paper. ✓✓ The information from the journals will be posted to the General Ledger. ✓✓He will be able to calculate how much profit he is making on a monthly basis. ✓✓ This way he can make wise business decisions to ensure that he is making sufficient profit to support himself and his family. ✓✓ At the end of the year it will be very easy to calculate the profit for the entire year for income tax purposes. ✓✓ Using journals and General Ledgers is a discipline that will benefit him and his business in the future. ✓✓ (Max. 10)

Total: 26 marks

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The Economy

Suggested answers to revision questions

1. Government, Businesses, Households✓✓✓
2. By collecting taxes:✓ Direct tax✓ – personal income taxes from individuals based on their income✓; Company tax on profits made by companies✓; Indirect tax✓ – VAT of 14% on almost all goods and services✓
3. People provide all their own needs, do not have modern technology,✓ do not need to use money or trade✓
4. Spending on those departments that provide services most required by the poor.✓ Education✓ – improve the education and training of the poor and previously disadvantaged to enable them to find jobs✓Welfare✓ – provide social grants✓ to those who do not have the basic needsHousing✓ – is a basic need and one which the poor cannot afford.✓ Healthcare✓ – provide adequate healthcare for the poor who cannot afford private healthcare✓ (8)

Entrepreneurship

Suggested answers to revision questions

1. The payment of labour is wages and salaries, ✓✓ and depends on labour supply and demand.
   Interest is the payment for capital.✓✓
   Rent is the payment for land.✓✓
   Profit is the payment for entrepreneurship.✓✓ (8)
2. Depends on the forms of business ownership selected. For example:
   A **sole trader** business is owned by one person;✓ who manages the business✓

and does most or all of the work;✓ is personally liable for debts of the business;✓ and pays income tax in a personal capacity.✓ (Any 3)

A **partnership** is a business association of between a minimum of two and a maximum of 50 people;✓ based on a legal contract (a partnership agreement; which can be verbal or written).✓ Partners pay income tax on their share of the profits in their personal capacities;✓ and they are all responsible for the debts of the business.✓ The responsibilities and management tasks are shared.✓ (Any 3)

A **close corporation** is an association of one to ten members.✓ All members make a contribution to the business,✓ and income is divided among the members according to their contribution.✓ It is recognised by the addition of the letters 'CC' at the end of the business name.✓ (Any 3)

A **private company** can be started by one person or more;✓ has the words: Proprietary Limited; (Pty.) Ltd. or Inc. for *Incorporated* (in the case of a private personal liability company) in its name;✓ raises capital by selling shares to specific people;✓ has owners called shareholders;✓ and is run by a board of directors who are usually chosen from among the owner-shareholders.✓ (Any 3)

A **public company** needs a minimum of seven people to be established;✓ has the word Limited (or Ltd.) included in its name;✓ raises capital from the general public through the sale of shares on a securities exchange;✓ has owners called shareholders;✓ is run by a chairman and board of directors;✓ holds an annual general meeting for the shareholders, who vote for the board's directors;✓ and shareholders are allowed one vote per share.✓ (Any 3) (3 × 3) (9)

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3. Management tasks:

Planning is an activity that involves creating a detailed scheme or method to reach an outcome or business goals.✓✓

Organising is the process of arranging something methodically, or co-ordinating the activities of others, in order to achieve a desired outcome or business goals.✓✓

Leading is the process of guiding and inspiring others to work towards achieving a common goal.✓✓

Controlling is the process of directing, commanding, checking, restraining or regulating the actions of others to achieve a desired outcome in the available time.✓✓ (4 × 2) (8)

4. **Autocratic** managers make decisions about business operations on their own, without consulting employees.✓✓

A **directive autocrat** makes all decisions and closely supervises subordinates.✓✓

A **permissive autocrat** makes all decisions but gives subordinates freedom to carry out their work in their own way.✓✓

In the **permissive** *(laissez-faire)* management style, the manager's role is as a mentor and stimulator, and employees manage their own areas of the business.✓✓

A **democratic** manager consults with employees before making any big decisions, so everyone participates in reaching a majority decision✓✓. (Any 3 styles) (3 × 2) (6)

[31]

UNIT 1

Financial literacy: Cash Receipts Journal and Cash Payments Journal (sole trader)

Unit overview

Learner's Book pages 13–25

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

In this unit, you will cover:

- Cash transactions and cash journals of a service business
- cash transactions of a trading business (CRJ, SPJ)
- effect of cash transactions on the accounting equation.

Additional resources: Sample source documents: Receipt, cash register till slip, cheque counterfoil, EFT payment print out, cardboard and pens to make charts of new concepts to put up on the classroom wall.

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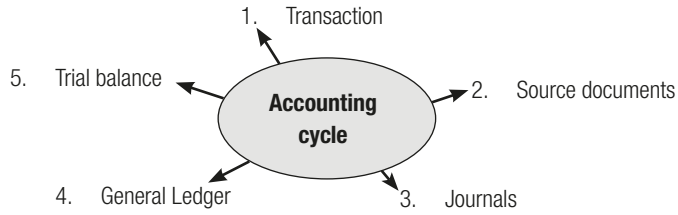
Teaching guidelines

- You may want to spend some time on the calculation of cost of sales. Check that the learners who have difficulty with Mathematics realise that it is not difficult if they follow the formula. Write the formula on a piece of cardboard and put it up on the classroom wall.
- A problem with Financial literacy and Accounting is that some learners forget to bring their exercise books such as an 8-column cash book and a ledger. Do not let them sit out of the lesson. They must do the activity or work on exercise paper and rewrite it into their accounting books during break, after school or at home. Please make a note of these learners' names and ensure that you check that this work is done before the next lesson or first thing the next morning. Bringing the correct books to class is a discipline that will help them in life. You may want to have some sort of penalty for not bringing books. Allow the learners to discuss what the penalty should be.
- **Note:** The learners must use the correct terminology and place each item in the correct order when drawing the accounting cycle.

Background knowledge

The main difference between a service business and a retail business is the different way of treating cost price and selling price. This affects only the sales of trading stock. It is very important that the learners understand this concept.



- A service business sells a service based on experience, knowledge, expertise, and skill, and charges a fee per hour e.g. current income or fee income. A retail business buys a product and resells the same product at a higher price.
- **The accounting equation is: Assets = Liabilities + Owner's Equity.** It is necessary because it is the foundation of all entries in the General Ledger and it is also the basis for the double entry principle. The expanded accounting equation identifies the components of the Owner's Equity: Assets + expenses = liabilities + capital + income. The assets and expenses increase on the debit side of the General Ledger and the liabilities, capital and income increase on the credit side. Each transaction is represented in the General Ledger using this principle. The result is a double-entry principle, which means that the total debits = total credits.

Activity 1 Calculate selling price and cost price

Learner's Book pages 14–15

Review Copy

Guidelines to implement this activity

- This is a pair activity. The learners must discuss their answers. After discussion, each learner must write their own answer in their exercise book.
- The learners must copy the table into their exercise book before completing the blank areas.
- If some learners do not have calculators, pair them up with a learner who does have one. All the learners should have calculators as they need these for other learning areas e.g. mathematics.

Background knowledge

Learners who struggle with mathematics may have difficulty with this concept. You may want to put the formula for calculating cost price when the selling price is given on a piece of cardboard on the back of the classroom wall. This will help those learners in the first few activities. With additional practice they will be able to rote-learn the formula and apply it to their activities.

Suggested answers

1. Cost price = $\frac{\text{selling price} \times 100}{100 + \text{mark-up\%}}$
2. Selling price = $\frac{\text{cost price} + (\text{cost price} \times \text{mark-up})}{100}$
3. Complete the following table to calculate the selling price:

	Cost price (R)	Mark-up %	Mark-up amount (R)	Selling price (R)
e.g.	R50 ,00	30%	R15,00	R65,00
3.1	R130 ,00	15%	**R19,50**	**R149,50**
3.2	R500 ,00	25%	**R125,00**	**R625,00**
3.3	R1 200 ,00	33,3%	**R399,60**	**R1 599,60**
3.4	R450 ,00	50%	**R225,00**	**R675,00**
3.5	R50 ,00	40%	**R20,00**	**R70,00**

4. Cost price: R500 + 40 = R540
   Mark up: R540 × 25% = R135
   Selling price = R540 + 135 = R675
5. Transport is added to the cost price of the goods because it is the cost of getting the goods to the store. This cost can be passed on to the customer, so it is added to the cost price.
6. Complete the following table to calculate the cost price (calculate to the nearest Rand):

	Selling price (R)	Mark-up %	Cost price (R)
For example	R34,50	15%	R30,00
6.1	R220,00	10%	**R200 ,00**
6.2	R520,00	25%	**R416,00**
6.3	R1 200,00	50%	**R800,00**
6.4	R90,00	33.3%	**R90,00**
6.5	R30,00	60%	**R18,75**

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Assessment guidelines

Use the suggested answers supplied above to assess learners informally. No marks have been allocated for this activity. This is the first activity in the term. The learners must be given opportunities to do work in class that does not have a mark allocation. This will allow them the freedom to try and to learn from the mistakes they make. Often when learners make mistakes, a teacher can identify the areas in which they are having problems and correct these.

Activity 2 Understand cash journals for trading businesses

Learner's Book page 17

Guidelines to implement this activity

- This is an individual activity.
- This activity is good for revision of the accounting concepts covered before the learners apply this to drawing up cash journals.

Suggested answers

1. The analysis of receipts column is used when money is paid in the store and placed in the cash register till.✓✓ (2)

2.1. Cost of sales is the cost price of the goods that have been sold. ✓✓ (2)

2.2. Mark-up is the percentage or amount that is added to the cost price✓ to determine the selling price. ✓ It must be enough to cover overheads and profit. ✓✓ (4)

2.3. Selling price is the price the customer pays for the goods. ✓✓ It is cost price plus the mark up. ✓✓ (Max. 2)

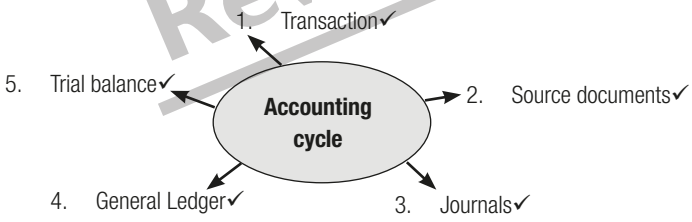
2.4. Analysis of receipts is a column in the CRJ used to record all cash placed in the cash register till. ✓✓ (2)

2.5. Trading stock is goods that are purchased for the sole purpose of resale at a profit. ✓✓ (2)

2.6. Subsidiary books are books of first entry. ✓✓ They are used to record all source documents. ✓✓ (2). (Note: Giving examples e.g. CRJ and CPJ is not an explanation and should not be given marks.)

3. $\frac{\text{selling price ✓} \times 100\text{✓}}{100\text{✓} + \text{mark-up \%✓}}$ = cost price✓ (5)

4.



For correct order✓✓ (7)

5. Source documents are entered in cash journals on the day that the transaction is made. ✓✓ (2)

6. Totals from the subsidiary books are posted to the General Ledger at the end of the month. ✓✓ (2)

Total: 32 marks

Assessment guidelines

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Use the suggested memorandum supplied above to assess learners informally. Allocate learners a mark out of 32 and give them feedback on their performance to prepare them for formal assessment. This activity could be used for spot test for informal assessment. This is partly recapping knowledge from Grade 8 as well as new knowledge gained.

Activity 3 Draw up the cash journals of Victory Sports

Learner's Book page 18

Guidelines to implement this activity

- This is an individual activity.
- You will need to give the learners time to draw up the headings in their cash journals in preparation for this activity. The learners could do this for homework to save time in the classroom.
- As this is the first activity entering source documents in the CRJ and CPJ for a trading concern, you may want to do the first two or three together as a class and then let the learners continue.

Background knowledge

The learners have done CRJ and CPJ for services businesses. The CRJ is the only subsidiary journal that is treated slightly differently for a trading concern because of the importance of calculating cost price.

Suggested answers

1–3.

Cash Receipts Journal of Victory Sports for May 2012

Doc	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Sundry Accounts		
								Amount	Fol	Details
59	5	Cash		5 000	5 000	5 000	4 000			
60	11	Cash		6 600	6 600	6 600	5 280			
61	16	Cash		4 140	4 140	4 140	3 312			
62	20	Cash		3 600	3 600	3 600	2 880			
63	24	Cash		5 125	5 125	5 125	4 100			
64	27	Cash		4 600	4 600	4 600	3 680			
65	30	Cash		5 020	5 020	5 020	4 016			
BS	30	Bank			48			48		Interest income
BS		Beatle Financial Advisors			4 500			4 500		Rent income
BS		Rabobank			1 000			1 000		Loan: Rabobank
					39 633	34 085	27 268	5 548		

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Cash Payments Journal of Victory Sports for May 2012

Doc	Day	Details	Fol	Bank	Trading stock	Consumable stores	Wages	Sundry Accounts		
								Amount	Fol	Details
34	1	Cash		2 000				2 000		Drawings
35	3	Nix Sportswear		12 500	12 500					
36	6	Cash		3 200			3 200			
37	9	Cash		600				600		Fuel
38	10	PSA Stationers		500				500		Stationery
39	12	General Wholesalers		490		490				
49	13	Cash		3 200			3 200			
50	20	Cash		3 200			3 200			
51	23	Jocks Clothing		8 000	8 000					
52	25	Telkom		590				590		Telephone
53		Business Insurance Co		3 000				3 000		Insurance
54		Rental Properties CC		5 000				5 000		Rent
55	29	Municipality		570				570		Water and electricity
56	30	Clanstal School		3 200				3 200		Drawings
BS		Bank		52				52		Bank charges
				46 102	20 500	490	9 600	15 512		

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4. Use discretion with the learners' answers as they have been asked for their opinion. They must justify their opinion with sound, reasonable facts.
   Sample answer:
   I think a Cost of sales column is a good idea as it makes it easier to calculate the cost price of the goods sold immediately before the actual sale is entered. The purpose of the Cost of sales column is to record the cost price of the goods that have been sold. This is so that the trading stock can be updated. The balance of the trading stock account will give the owner an idea of the value of stock that should be in the shop or warehouse.

Assessment guidelines

Use the suggested answers supplied above to assess learners informally. No marks have been allocated to this activity. It is the first combined activity for entering cash journals of a trading store. The learners must be able to try – they must be able to make mistakes and learn from these errors. This is the best way for the teacher to determine if the

learner has understood the concepts and is able to apply them. If not, the teacher will be able to see where the learners have gaps in their knowledge by identifying the mistakes they have made in the activity. Additional work or instruction should be given to ensure that each learner understands why he or she made the errors.

Activity 4 Draw up the cash journals of Moosa Fabric Store

Learner's Book page 19

Guidelines to implement this activity

- This is an individual activity.
- Learners must be given time to draw up the headings of the journals. It is a good idea to do this as homework so that it does not take up unnecessary time in class. The learners have done CPJ for a service business, and the trading business is no different. They can do the CPJ for homework as well. However, the CRJ should be done in class so that you can monitor any learners who are struggling with cost of sales.

Suggested answers

1–2.

Cash Receipts Journal of Moosa Fabric Store for May 2012✓ CRJ 1

Doc No	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Sundry Accounts		
								Amount	Fol	Details
Rec 1	1	D. Moosa✓			✓20 000			✓20 000		Capital✓
CRT 29	3	Cash✓		✓12 000	12 000	✓12 000	✓7 500			
CRT 30	6	Cash✓		✓8 800	8 800	✓8 800	✓5 500			
CRT 31	12	Cash✓		✓10 200		✓10 200	✓6 375			
R2		Rec. of Revenue✓		✓156	✓10 356			✓156		Income Tax✓
CRT 32	18	Cash✓		✓5 800	5 800	✓5 800	✓3 625			
CRT 33	23	Cash✓		✓13 670	13 600	✓13 600	✓8 500			
CRT 34	29	Cash✓		✓21 000	21 000	✓21 000	✓13 125			
BS	30	Rabobank✓			✓69			✓69		Interest income✓
					✓91 625	✓71 400	✓44 625	✓20 225		
(1)		(9)		(7)	(4)	(7)	(7)	(4)		(3)

(43)

Cash Payments Journal of Moosa Fabric Store for May 2012 ✓ CPJ 1

Review Copy

Doc No	Day	Details	Fol	Bank	Trading Stock	Equip-ment	Sundry Accounts		
							Amount	Fol	Details
EFT 10	3	Weddings for Africa ✓		1 500			✓1 500		Commission✓
C 12	6	Cash Registers✓		3 600		✓3 600			
C 13	10	Eskom✓		450			✓450		Electricity✓
C 14	11	Municipality✓		5 000			✓5 000		Rates✓
C 15	19	Fresh Designs✓		7 400	✓6 900		✓500		Uniforms✓
C 16	23	VJ Repairs✓		2 500			✓2 500		Vehicle repairs✓
C 17		J. Singh✓		690		✓690			
C 18	25	Cash✓		25 000			✓25 000		Wages & salaries✓
BS	30	Rabobank✓		54			✓54		Bank charges✓
				46 194	✓6 900	✓4 290	✓35 004		
(1)		(9)			(2)	(3)	(8)		(7)

(31)

2. The bank balance is: CRJ : R91 625 – CPJ R46 194 = R45 431✓ (2)
3. See tables above
4. Mark-up is the percentage of amount that is added to the cost price in order to calculate the selling price. ✓✓The higher the mark-up, the greater the profits of the business. ✓✓However, if the high mark-up makes the selling price out of reach of the customer, sales will drop and less profit will be made. ✓✓ A lower mark-up may result in less profit, but if the sales increase as a result, the final profit could be higher because of the high sales figures. ✓✓ (Max. 4)

Total: 80 marks

Review Copy

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

Activity 5 Calculate the effect of cash transactions on the accounting equation

Learner's Book page 21

Guidelines to implement this activity

- This is a pair activity.
- Learners must discuss their answers and then they must write their own answers in their exercise books.
- The learners must copy the table into their exercise books to answer question 4.

Background knowledge

The learners must know the components of Owner's Equity in order to answer the question. The following diagram is from the Grade 8 Learner's Book. You can copy this on a piece of cardboard and have it on the classroom wall for the learners to use.

Assets = Liabilities + Owner's Equity (OE)
(Capital + income – expenses)

Suggested answers

1. Assets = Liabilities + OE
2. Assets + Expenses + Drawings = Liabilities + Capital + Income
   Note: You can accept the following: Assets = Liabilities + OE (capital + income – drawings – expenses)
3. Assets and expenses are debits.
   Liabilities, income and capital are credits.
4.

	Assets	Liabilities	Owner's equity
e.g.	Bank – R4 000 Trading stock + R4 000	0	0
4.1	Bank – R600 Trading stock + R600	0	0
4.2	Bank – R4 000	0	– R4 000 (Wages)
4.3	Bank – R8 900 Trading stock + R8 900	0	0
4.4	Bank – R500		– R500 (Stationery)
4.5	Bank – R4 500 Trading stock + R4 500		

Review Copy

Assessment guidelines

Use the suggested answers supplied above to assess learners informally. No marks have been allocated for this activity. The learners need to practise this type of activity and be free from the pressure of marks in order to learn from their mistakes.

Activity 6

Calculate the effect of cash receipts of a retail store on the accounting equation

Learner's Book page 22

Guidelines to implement this activity

- This is an individual activity.
- Learners must copy the table in their exercise book in order to complete question 2.

Suggested answers

1. The double-entry principle means that each transaction must be entered twice in the General Ledger, ✓✓ once on the debit side and again on the credit side of

a different account. ✓✓ (4)

2.

	Assets	Liabilities	Owner's equity
2.1	Bank + R45	0	+ R45 (Interest income)
2.2	(a) Bank + R1 500 (b) Trading stock – R1 200✓		+ R1 500 (sales) ✓ – R1 200 (cost of sales) ✓
2.3	Bank + R3 500		+ R3 500 (Rent) ✓
2.4	Bank + R900✓ Trading stock – R720✓		+ R900 (Sales) ✓ – R720 (cost of sales) ✓
2.5	Bank + R59✓		+ R59 (Interest income) ✓
2.6	Bank +R2 500✓ Trading stock –R2 000✓		+ R2 500 (Sales) ✓ – R2 000 (Cost of sales) ✓

(16)

3. Bently Stores need to increase their sales. ✓✓ They can lower their mark-up but they need to make sure that this will still cover their overheads and make a profit. ✓✓ They could advertise a sale and mark down some of their prices for a specific period of time to increase sales. ✓✓ (Max. 4)

Total: 24 marks

Assessment guidelines

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

Review Copy

Activity 7 Complete the cash journals of Boxing Traders

Learner's Book page 23

Guidelines to implement this activity

- This is an individual activity.
- The learners must re-write the CRJ and CPJ. They can use time at home to write up the headings.

Suggested answers

1–2.

Cash Receipts Journal of Boxing Traders for September 2012✓

Doc	Day	Details	Fol	Analysis	Bank	Sales	Cost of sales	Sundry accounts		
								Amount	Fol	Details
CRT 19	1	Cash		11 600	11 600	✓9 100	✓7 280			
Rec 9	5	Oasis Transport		6 000	6 000			✓6 000		Rent Income✓
CRT 20	8	Cash		28 620	28 620	✓13 000	✓10 400			
CRT 21	15	Cash		25 000	25 000	✓25 000	✓20 000			
CRT 22	22	Cash		21 500	25 150	✓21 500	✓17 200			
CRT 23	29	Cash		26 000	26 000	✓26 000	✓20 800			
					✓122 370	✓94 600	✓75 680	✓6 000		
		(6 ÷ 2) (3)		(6)	(1)	(6)	(6)	(2)		(1)

(26)

Cash Payments Journal of Boxing Traders for September 2012✓

Doc	Day	Details	Fol	Bank	Trading stock	Wages	Fuel	Sundry Accounts		
								Amount	Fol	Details
Ch 19	1	Cash Carriers CC		✓5000	✓5 000					
Ch 20	2	Goldberg Estates		✓12 000				✓12 000		Rent✓
Ch 21		Eskom		✓900				✓900		Electricity
Ch 22	5	Cash		✓560			✓560			
Ch 23		Denton Wholesalers		✓11 600	✓11 600					
Ch 24	7	Cash		✓12 000		✓12 000				
Ch 25	10	PNP Stationers		✓500				✓500		Stationery✓
Ch 26		Cash		✓6 000				✓6 000		Drawings✓✓
Ch 27	14	Cash		✓12 000		✓12 000				
Ch 28	15	Delicate Insurance		✓2 900				✓2 900		Insurance✓
Ch 29		Telly Transport		✓460				✓460		Transport ✓
Ch 30		Denton Wholesalers		✓5 900	✓5 900					
Ch 31	20	Cash		✓900			✓900			
–				✓650				✓650		Entertainment✓
Ch 32	21	Cash		✓21 000		✓21 000				
Ch 33	29	Goldberg Estates		✓15 000				✓15 000		Rent✓
Ch 34		Denton Wholesalers		✓6 300	✓6300					
Ch 35	30	Telkom		✓800				✓800		Telephone✓
Ch 36		Umzinto Municipality		✓500				✓500		Water✓
				✓114 970	✓28 800	✓45 000	1 460	✓39 710		
		(18÷2) (9)		(20)	(5)	(4)	(3)	(11)		(11)

(64)

Review Copy

3. Mila must ensure that she completes all the journals each day. ✓✓
   Daily:
   Step 1: Collect all the source documents for the CRJ e.g. duplicate receipts, CRT roll. ✓✓
   Step 2: Enter these in the CRJ each day✓✓ and calculate the cost of sales each time a sale is entered.
   Step 3: Add up the total in the analysis of receipts column, write out a deposit slip, and check that the money in the cash register matches the total in the analysis of receipts column. ✓✓Write the amount deposited in the bank in the bank column. ✓✓
   Step 4: Collect the cheque book and enter all the cheque counterfoils in the CPJ each day. ✓✓
   End of month:
   Step 5: At the end of the month she must enter all the information from the bank statement e.g. income in the CRJ and payments in the CPJ. ✓✓
   Step 6: Add up all the columns in both journals.

(Max. 10)

Total: 100 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 100 and give them feedback on their performance to prepare them for formal assessment. The mark allocation is a guide for you, the teacher. It is not necessary to mark and allocate marks to every activity the learners do in class.

You can let the learners exchange books and mark each other's work. You will need to put the answer on the overhead projector or chalk board. The learner doing the marking must explain to the other learners where they went wrong and why they made the mistake. This will help the learners with understanding the concepts.

Review Copy

Activity 8 Complete the cash journals of Zinzi Boutique

Learner's Book pages 24–25

Guidelines to implement this activity

- This is an individual activity.
- Learners must be given time to draw up the headings in their journals. They can do this for homework to save time in class.

Suggested answers

1.
Cash Receipts Journal of Zinzi Boutique for March 2012 (½) CRJ 1

Doc. no.	D	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Sundry accounts		
								Amount	Fol	Details
R 1	1	Zinzi			✓50 000			50 000		Capital
R 2		Rabobank			✓30 000			30 000		Loan: Rabobank
R 3–5	6	Cash		5 950	5 950	5 950	3 500			
R 6–7	7	Cash		4 964		4 964	2 920			
R 8		Fashion School		1 400	6 364			1 400		Commission
R 8–10	10	Cash		7480	7480	7 480	4 400			
R 11–13	11	Cash		3 791	3 791	3 791	2 230			
R 14	22	Dlamini wedding		8 007	8 007	8 007	4 710			
R 15–17	28	Cash		3 893	3 893	3 893	2 290			
BS	30	Rabobank			34			34		Interest income
					✓115 519	34 085	20 050	81 434		
		(10 ÷ 2) (5)		(7)	(3)	(7)	(7)	(5)		(4)

(38½)

Review Copy

Cash Payments Journal of Zinzi Boutique for April 2012 (½) **CRJ1**

Doc no	D	Details	Fol	Bank	Wages	Trading stock	Sundry accounts		
							Amount	Fol	Details
Ch 1	3	Best Designs		6 000		6 000			
EFT 1		Shop Designs		39 800			39 800		Furniture
CH 2		Fabulous Fabrics		6 900		6 900			
Ch 3	4	Silicon Solutions		9 399			7 999		Equipment
							1 400		Stationery
Ch 4	7	Cash		600	600				
EFT 2	8	Marlo Fashions		10 000		10 000			Licence
Ch 5		Municipality		750			750		
EFT 3	11	Black Depp		6 500		6 500			
Ch 6	14	Cash		600	600				
Ch 7		Fabulous Fabrics		12 000		12 000			
Ch 8	20	Cash		1 760	1 500		260		Consumable stores
Ch 9	22	Cash		600	600				
Ch 10	24	Cash		690			690		Stationery
EFT 4	30	Medley Mall		9 000			9 000		Rent
EFT 5		Rabobank		3 950			3 950		Loan: Rabobank
BS		Bank charges		129			129		Bank charges
				✓108 678	3 300	41 400	63 978		
		(16 ÷ 2) (8)		(16 ÷ 1) +1 = (9)	(5)	(6)	(10)		(9)

Review Copy

(47½)

2. CRJ R115 519 ✓– CPJ R108 678 ✓= R6 841✓✓ (4)
3. Use discretion with learners' answers as they are asked for their opinion. They must justify their opinion with good, valid and relevant reasons.
   Sample answer:
   Yes, I think it was wise, as she had no other way of obtaining this capital to start her business. ✓ It will reduce her profit ✓ as she has to pay back the capital plus interest. ✓ The interest is an expense which reduces profit. ✓✓ (Max. 4)

Total: 94 marks

Assessment guidelines

Use the suggested memorandum supplied above to assess learners informally. Allocate learners a mark out of 94 and give them feedback on their performance to prepare them for formal assessment. Although a guide for mark allocation has been given, it is not necessary to give marks for every activity. Be selective with the activities that you use for informal mark assessment.

Core concepts

Cost of sales:
Understanding of this core concept is essential for the learners to succeed in the activities in this unit. If learners are struggling with the calculation of cost of sales, give them additional practice. For example, give them sales figures and let them calculate the cost of sales. The more practice they get, the better they will become at the calculations.

UNIT 2

The Economy: Economic systems

Review Copy

Unit overview

Learner's Book pages 26–36

Recommended pacing: 40 minutes × 6 lessons = 4 hours

In this unit you will cover:

- the three major economic systems and their origins, advantages, disadvantages and characteristics
- the global economy.

Additional resources: www.oneworld.net/guides/globalisation

Teaching guidelines

- This unit provides good scope for debates on the best system and on the good and bad points of globalisation.
- Try to source information on the previously communist countries – Russia, China and Cuba. Use newspaper reports on protests against globalisation.

Activity 1 Find out about the three economic systems

Learner's Book page 28

Guidelines to implement this activity

- This is an individual activity.
- Learners may need help with question 4. Suggest services such as transport, education, water, electricity and healthcare

Suggested answers

1. An economic system is the way in which economic activities are managed in a country.
2. How to satisfy unlimited wants with limited resources.
3.

Characteristics	Planned economy	Mixed economy	Market economy
Also known as the capitalist system			✓
All businesses are owned by the government	✓		
All businesses are privately owned			✓
Some businesses are privately owned and some are owned by the government		✓	
The main aim of business is to make a profit			✓
The government aims to eliminate poverty and inequality and make everyone comfortable	✓		
The government provides certain services but there are also private service providers		✓	
South Africa has this type of economy		✓	

Review Copy

4. Answers will vary. Learners should draw up their table as follows:

Private producers	Government

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.			
could recognise the three different economic systems.			

Activity 2 Research the origin of economic systems

Learner's Book page 30

Guidelines to implement this activity

- This is an individual activity.
- If available, use the Internet or a library to do research for question 5. Ask History or Social Sciences teachers if they have any resources on communism or socialism.

Suggested answers

1. The combination of planned and market economies, controlled by government or private businesses.
2. Adam Smith; free trade
3. The Industrial Revolution encouraged the working class to move to the cities, where many lived in extreme poverty. Socialism developed in order to better the lives of the working class.
4. Trade between Europe and the rest of the world grew rapidly in the 1700s. Governments placed restrictions on trade to reduce competition.
5. Learners' research should include:
   Karl Marx, a German political economist, wrote the book *Das Kapital*, in which he claimed that the working class are exploited by capitalism. His theories are known as Marxism. Russia adopted some of these principles into their political policies, and the Communist party was formed in Russia in 1921.
   The SACP was also formed in 1921 and played a major role in the struggle against apartheid. The SACP and COSATU play a role in influencing the SA economic policies. Various other countries have had socialist governments (e.g. Cuba, Tanzania).

Review Copy

Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers and the checklist below to assess learners informally. 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.			
did research on the origin and history of a planned economic system.			

Activity 3

Compare the advantages and disadvantages of the different economic systems

Learner's Book page 33

Guidelines to implement this activity

- This is an individual activity.
- Learners may need guidance with drawing up the tables for question 2. See the answers supplied.

Suggested answers

1. Mixed economic system
2.

Economic system	Advantages	Disadvantages
Planned economy	Welfare programmes: pensions, unemployment benefits, healthcare, housing, education	
	Wealth is spread; profits from resources are not sent off-shore	Government controls mean fewer choices for people; innovation is not rewarded; limited range of products
	Lower unemployment as work is provided by government	People earn the same whether they are lazy or work hard
		Productivity is low as the aim is not to make a profit
Market economy	Workers have some choice of work	Over-supply of labour can lead to exploitation; recessions can lead to unemployment
	Competition leads to lower prices, better quality and wider range of products	Waste or over-consumption as a result of trying to increase sales for profit
	Productivity is higher in order to aim for profit	Abuse of resources, such as over-fishing, can cause environmental problems
Mixed economy	Basic needs services are usually controlled by government	Not much is done to eliminate inequalities or to assist the poor very much
	Higher productivity; better, cheaper products as production is privately owned	
	Workers have some freedom of choice and the benefits of trade unions and labour laws for protection	State control of some of the production limits the choices of consumers and workers

Review Copy

3. Strong **social welfare** programmes such as pension schemes, unemployment benefits and various other social grants help the poor. Everyone is comfortable and has the basic needs such as good healthcare, housing and education.

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.			
could compare the advantages and disadvantages of the different systems.			

Activity 4 Present an economic system to the class

Learner's Book page 34

Guidelines to implement this activity

- This is an individual and a small group activity (3–5 learners per group).
- It is important that learners focus their discussions on question 4 on South Africa.

Background knowledge

Perhaps precede this discussion with a discussion of South Africa's social problems of inequality and poverty.

Suggested answers

1. A planned economy.
2. Prices for products are based on the market principles of demand and supply

Characteristics of the three different market systems:

Planned economy	Market economy	Mixed economy
The government plays a controlling role in the economy in order to solve the problems of inequality	The government plays a very small role in the economy	The state controls some aspects of the economy such as the basic services like education, security and healthcare
The state provides all services and aims to provide all basic needs	Entrepreneurs decide what goods and services to produce and how they produce them	Most production decisions on what goods and services are made are controlled by businesses
The state owns all capital, land and controls production	People and businesses own capital, land and the factors of production	
Labour works for a set wage, wages are decided by the state	People can buy whatever they can afford	
Prices are fixed by the state, there is no competition, producers do not make a profit, income goes to the state	Businesses aim to make as much profit as they can. Competition between producers is encouraged. Prices for products are based on the market principles of demand and supply	The government can influence how goods and services are distributed among people by making welfare payments for the poor (social grants)

Review Copy

4. Group discussion and presentation of findings.

Assessment guidelines

- This activity is intended for informal assessment. Use the suggested answers and the checklist below to assess learners informally. 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			
compared the characteristics of the different systems.			

Activity 5 Understand globalisation

Learner's Book page 36

Guidelines to implement this activity

- This is an individual activity /small group activity (3–5 learners per group).
- Emphasise that learners should give their own opinions on globalisation in both questions 3 and 4.

Background knowledge

Look out for recent news reports on Walmart or other globalisation issues to provide further background information.

Review Copy

Suggested answers

1. The term 'global economy' refers to the way in which the economies of most of the countries in the world have become inter-connected.
2. Transport and communication are continually improving, making trade between countries easier. In addition to goods and services, labour and capital are now also more mobile and respond to the market forces of supply and demand. This has also affected the prices of products, which have become more equal around the world.
3. Discussion: Opinions expressed may differ. Each of the groups must report back to the rest of the class on the advantages and disadvantages of globalisation.
4. Group discussions on advantages and disadvantages of global business in South Africa, and presentations of findings.

Assessment guidelines

- This activity is intended for informal assessment. Use the suggested answers and the checklist below to assess learners informally. 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.			
understood the concept of globalisation.			

Core concepts

Ensure that the learners have understood the following core concepts of this unit. Give them practice in using these concepts:
capitalism, communism, socialism, mixed economies, globalisation.

UNIT 3

Financial literacy: General Ledger and trial balance (sole trader)

Unit overview

Learner's Book pages 37–51

Recommended pacing: 40 minutes × 9 lessons = 6 hours

In this unit you will cover:

- posting of cash transactions of a trading business from Cash Receipts Journal (CRJ) to General Ledger
- posting of cash transactions of a trading business from Cash Payments Journal (CPJ) to General Ledger
- preparing a trial balance for a trading business

Additional resources: 8-column cash book, 3-column cash book, exercise book, calculator

Review Copy

Teaching guidelines

- Posting from the cash journals to the General Ledger is very similar to what is done in a service business. The main differences are:
  - posting sales to the sales account
  - the cost of sales column in the CRJ must be posted to TWO separate accounts: Trading stock, and Cost of sales.
- Some learners struggle to understand that the cost of sales is a *calculation* and not part of the money received by the business. You need to emphasise as often as possible that it is a calculation. As a result, it must be posted to *two* separate accounts to ensure that the double-entry principle is followed.
- You will also need to emphasise that the cost of sales is the *cost price*, and that this is different from the *selling price*. This is another reason why we need a Cost of sales account rather than posting everything to sales, where entries are recorded at selling price.

Activity 1 Post to the General Ledger for Donovan's Meat Market

Learner's Book pages 45–46

Guidelines to implement this activity

- This is an individual activity.
- If you have learners who have learning difficulties, pair them up with strong learners who can help them and guide them. It is important that the strong learners do not give the answers but ask questions to guide the learner to the correct answer.
- You will need to give the learners a list of accounts and the number of lines to leave free between each one. The learners should draw up the headings for the General Ledger before the lesson so that time is not wasted.

Suggested answers

1. Balance sheet Accounts Section
2. Nominal Accounts Section
3.

General Ledger of Donovan's Meat Market

Balance Sheet Accounts Section

Dr **Bank B1** **Cr**

2012 Mar	1	Balance	b/d	3 900	2012 Mar	31	Sundry Accs.	CPJ1	26 930

Trading stock B2

2012 Mar	1	Balance	b/d	13 000					
	31	Bank	CPJ1	20 800					

Nominal Accounts Section

Rent N1

2012 Mar	1	Total	c/d	12 500					
	31	Bank	CPJ1	4 200					

Water and electricity N2

2012 Mar	1	Total	c/d	1 500					
	31	Bank	CPJ1	500					

Review Copy

Fuel N3

2012 Mar	1	Total	c/d	3 500					
	31	Bank	CPJ1	200					
		Bank	CPJ1	200					

Stationery N4

2012 Mar	1	Total	c/d	1 450					
	31	Bank	CPJ1	830					

Consumable stores N5

2012 Mar	1	Total	c/d	535					
	31	Bank	CPJ1	200					

Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. No marks have been allocated to this activity. This is the first activity posting the CPJ to the General Ledger of a trading business.

Review Copy

Activity 2 Post to the CRJ and CPJ of Victory Sports

Learner's Book page 48

Guidelines to implement this activity

- This is an individual activity.
- Please check that all the learners have completed activity 3 from Term 1, Unit 1. If they were absent, make a copy of the answer on page 30 of this Teacher's Guide and let them post from these. It is not a good idea to let learners share completed cash journals to do this activity. They will get frustrated at being held back if one learner is slower than the other.

Suggested answers

1. b/f means brought forward from the previous month. ✓✓ Nominal section accounts
   c/d means carried down from the previous month. ✓✓ Balance sheet section accounts

2.

Trial balance of Victory Sports as at 31 May 2012

Balance sheet section		Debit	Credit
Capital	B1		90 000
Drawings	B2	10 000	
Bank	B3		2 300
Equipment	B4	16 000	
Vehicles	B5	52 400	
Trading stock	B6	12 000	
Nominal section			
Sales	N1		56 000
Cost of sales	N2	40 000	
Rent (expense)	N3	15 000	
Consumable stores	N4	2 900	
		148 300	148 300

3. Bank has a credit balance because it is in overdraft. The business spent more money than they had in the bank last month.
4. Copy of answer to Activity 3 in Term 1 Unit 1 (on page 30). The folio references must be written in the learners' answers at the same time as they post to the General Ledger.

Review Copy

Cash Receipts Journal of Victory for 31 May 2012

Doc	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Sundry Accounts		
								Amount	Fol	Details
59	5	Cash		5 000	5 000	5 000	4 000			
60	11	Cash		6 600	6 600	6 600	5 280			
61	16	Cash		4 140	4 140	4 140	3 312			
62	20	Cash		3 600	3 600	3 600	2 880			
63	24	Cash		5 125	5 125	5 125	4 100			
64	27	Cash		4 600	4 600	4 600	3 680			
65	30	Cash		5 020	5 020	5 020	4 016			
BS	30	Bank			48			48	N5	Interest income
BS		Beatle Financial Advisors			4 500			4 500	N6	Rent income
BS		Rabobank			1 000			1 000	B7	Loan: Rabobank
					39 633	34 085	27 268	5 548		
					B3	N1	N2/B6			

Cash Payments Journal of Victory Sports for 31 May 2012

Doc	Day	Details	Fol	Bank	Trading stock	Consumable stores	Wages	Sundry Accounts		
								Amount	Fol	Details
34	1	Cash		2 000				2 000	B2	Drawings
35	3	Nix Sportswear		12 500	12 500					
36	6	Cash		3 200			3 200			
37	9	Cash		600				600	N7	Fuel
38	10	PSA Stationers		500				500	N8	Stationery
39	12	General Wholesalers		490		490				
49	13	Cash		3 200			3 200			
50	20	Cash		3 200			3 200			
51	23	Jocks Clothing		8 000	8 000					
52	25	Telkom		590				590	N9	Telephone
53		Business Insurance Co		3 000				3 000	N10	Insurance
54		Rental PropertiesCC		5 000				5 000	N3	Rent
55	29	Municipality		570				570	N11	Water and Electricity
56	30	Clanstal School		3 200				3 200	B2	Drawings
BS		Bank		52				52	N12	Bank charges
				46 102	20 500	490	9 600	15 512		
				B3	B6	N4	N13			

Review Copy

General Ledger of Victory Sports

Balance Sheet Accounts Section

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

					2012 May	1	Balance	b/d	90 000

Drawings B2

2012 May	1	Balance	b/d	10 000					
	31	Bank	CPJ1	2 000					
		Bank	CPJ1	3 200					

Bank B3

2012 May	31	Sundry Acc.	CRJ1	39 633	2012 May	1	Balance	b/d	2 300
						31	Sundry Acc	CPJ1	46 102

Equipment B4

2012 May	1	Balance	b/d	16 000					

Vehicles B5

2012 May	1	Balance	b/d	52 400					

Trading Stock B6

2012 May	1	Balance	b/d	12 000	2012 May	31	Bank	CRJ1	27 268
	31	Bank	CPJ1	20 500					

Review Copy

Loan: Rabobank B7

					2012 May	31	Bank	CRJ1	1 000

Nominal Accounts Section

Dr **Sales N1** **Cr**

					2012 May	1	Total	c/d	56 000
						31	Bank	CRJ1	34 085

Cost of sales N2

2012 May	1	Total	c/d	40 000					
	31	Trading stock	CRJ1	27 268					

Rent N3

2012 May	1	Total	c/d	15 000					
	31	Bank	CPJ1	5 000					

Consumable stores N4

2012 May	1	Total	c/d	2 900					
	31	Bank	CPJ1	490					

Interest income N5

					2012 May	31	Bank	CRJ1	48

Rent income N6

					2012 May	31	Bank	CRJ1	4 500

Fuel N7

2012 May	31	Bank	CPJ1	600					

Stationery N8

2012 May	31	Bank	CPJ1	500					

Telephone N9

2012 May	31	Bank	CPJ1	590					

Review Copy

Insurance N10

2012 May	31	Bank	CPJ1	3 000					

Water and electricity N11

2012 May	31	Bank	CPJ1	570					

Bank charges N12

2012 May	31	Bank	CPJ1	52					

Wages N13

2012 May	31	Bank	CPJ1	9 600					

Review Copy

Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. No marks have been allocated for this activity as it is the first one where the learners have to draw up a trial balance.

Extension activity

For learners who are ahead of the others, let them balance the ledger accounts and draw up the trial balance at the end of May 2012. Ask them to compare the two and give the owner advice on how to reduce expenses. They can calculate the Owner's Equity and comment on this.

Activity 3 Posting the CRJ and CPJ of Moosa Fabric Store

Learner's Book page 48

Guidelines to implement this activity

- This is an individual activity.
- Give the learners time to draw up the ledger accounts and write in the headings. If some learners did not complete the cash journals from activity 4 in Term 1 Unit 1, make a copy of the answers on pages 32–33 of this Teacher's Guide. The learners must insert the folio references in both the cash journals and the General Ledger.
- The learners must draw up a trial balance on 1 June 2012 to calculate the bank balance. It is important for them to check that they have answered all the questions.

Posting to the General Ledger and drawing up the trial balance takes up a lot of time. Sometimes learners feel that they have completed the activity and leave out the last question. This is an important skill and it is critical that they learn this before writing controlled tests and examinations.

Suggested answers

1. Drawings is the amount of goods or money the owner takes for his own use. ✓✓
   It reduces his owner's equity in the business. ✓✓ (Max. 4 marks)
2.

Trial balance of Moosa Fabric Store on 1 June 2012

Balance sheet Accounts Section		Debit	Credit
Capital	B1		180 000
Bank	B2		✓*31 734
Drawings	B3	24 000	
Vehicle	B4	90 000	
Equipment	B5	30 500	
Land and buildings	B6	250 000	
Loan: Rabobank	B7		225 000
Trading stock	B8	55 000	
Nominal Accounts Section			
Sales	N1		75 000
Cost of sales	N2	46 875	
Rent income	N3		24 000
Stationery	N4	2 500	
Wages	N5	24 000	
Bank charges	N6	369	
Interest expense	N7	9 800	
Telephone	N8	1 490	
Water and electricity	N9	1 200	
		535 734	535 734
		(13)	(6 + 1)

*Note: Dr side = R535 734 – Cr side R504 000 = Bank R31 734 (Cr balance)

(20)

Review Copy

3 and 4.

General Ledger of Moosa Fabric Store

Balance Sheet Accounts Section✓

Capital B1

Dr									Cr
					2012 June	1	Balance	b/d	✓180 000
						30	Bank	CRJ1	✓20 000
									✓200 000

Bank B2

2012 June	30	Sundry Acc	CRJ1	✓91 625	2012 June	1	Balance✓	b/d	31 734
						30	Sundry Acc✓	CPJ1	46 194
							Balance✓	c/d	13 697
				91 625					91 625
July	1	Balance	b/d	✓13 697					

Drawings B3

2012 June	1	Balance	b/d	✓24 000					

Vehicle B4

2012 June	1	Balance	b/d	✓90 000					

Equipment B5

2012 June	1	Balance	b/d	✓30 500	2012 June	31	Balance	c/d	34 790
	30	Bank	CPJ1	✓4 290					
				34 790					34 790
July	1	Balance	b/d	✓34 790					

Land and buildings B6

2012 June	1	Balance	b/d	✓250 000					

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Loan: Rabobank B7

					2012 June	1	Balance	b/d	✓225 000

Trading stock B8

2012 June	1	Balance	b/d	✓55 000	2012 June	30	Cost of sales	CRJ1	✓44 625
	30	Bank	CPJ1	✓6 900			Balance	c/d	✓17 275
				61 900					61 900
July	1	Balance	b/d	✓17 275					

Nominal Accounts Section✓

Sales N1

2012 June	30	Total	c/f	✓146 400	2012 June	1	Total✓	b/f	75 000
						30	Bank✓	CRJ1	71 400
				146 400					146 400
					July	1	Total✓	b/f	146 400

Cost of sales N2

2012 June	1	Total	b/f	✓46 875	2012 June	30	Total	c/f	91 500
	30	Trading stock	CRJ1	✓44 625					
				91 500					91 500
July	1	Total	b/f	✓91 500					

Rent income N3

					2012 June	1	Total✓	b/f	24 000

Stationery N4

2012 June	1	Total	b/f	✓2 500					

Review Copy

Wages N5

2012 June	1	Total	b/f	✓24 000	2012 June	30	Total	c/f	49 000
	30	Bank	CPJ1	✓25 000					
				49 000					49 000
July	1	Total	c/d	✓49 000					

Bank charges N6

2012 June	1	Total	b/f	✓369	2012 June	30	Total	c/f	423
	30	Bank	CPJ1	✓54					
				423					423
July	1	Total	b/f	✓423					

Interest expense N7

2012 June	1	Total	b/f	✓9 800					

Telephone N8

2012 June	1	Total	b/f	✓1 490					

Review Copy

Water and electricity N9

2012 June	1	Total	b/f	✓1 200	2012 June	30	Total	c/f	1 650
	30	Bank	CPJ1	✓450					
				1 650					1 650
July	1	Total	b/f	✓1 650					

Income tax N10

					2012 June	30	Bank	CRJ1	✓156

Interest income N11

2012 June	1	Bank	CRJ1	✓69					

Commission N12

2012 June	30	Bank	CPJ1	✓1 500					

Rates N13

2012 June	30	Bank	CPJ1	✓5 000					

Uniforms N14

2012 June	30	Bank	CPJ1	✓500					

Vehicle repairs N15

2012 June	30	Bank	CPJ1	✓2 500					

(48)

5.

Trial balance of Moosa Fabric Store on 1 June 2012✓

Balance Sheet Accounts Section✓		Debit	Credit
Capital	B1		200 000
Bank	B2	13 697	
Drawings	B3	24 000	
Vehicle	B4	90 000	
Equipment	B5	34 790	
Land and buildings	B6	250 000	
Loan: Rabobank	B7		225 000
Trading stock	B8	17 275	

Review Copy

Nominal Accounts Section ✓			
Sales	N1		146 400
Cost of sales	N2	91 500	
Rent income	N3		24 000
Stationery	N4	2 500	
Wages	N5	49 000	
Bank charges	N6	423	
Interest expense	N7	9 800	
Telephone	N8	1 490	
Water and electricity	N9	1 650	
Income tax	N10		156
Interest income	N11		69
Commission	N12	1 500	
Rates	N13	5 000	
Uniforms	N14	500	
Vehicle repairs	N15	2 500	
		595 625	595 625
		(18)	(7)

(28)

Review Copy

6. Use discretions with learners' answers as they have been asked to comment. The following are some sample answers.
   - Moosa Fabric Store started with a bank overdraft of R180 000 and ended the month with a positive balance of R13 697. ✓✓
   - They have received a loan from Rabobank of R225 000. If you subtract this, their bank overdraft would have been R211 303. ✓✓
   - The end result is that they still have large debts. Their liabilities are R425 000 and their assets R429 726. This means that their net worth is only R4 762. ✓✓
   - This business is in serious financial difficulty. ✓✓
   - They need to improve their sales and cut down on some of their expenses to try to improve the situation. ✓✓
   - Their interest expense is going to be even higher next month as they repay the loan with interest. ✓✓ (10)

Total: 106 marks

Assessment guidelines

Use the suggested memorandum supplied above to assess learners informally. Allocate learners a mark out of 100 and give them feedback on their performance to prepare them for formal assessment.

Activity 4 Prepare a General Ledger and trial balance for Boxing Traders

Learner's Book page 49

Guidelines to implement this activity

- This is an individual activity.
- The learners must draw up a trial balance for 1 August to calculate the trading stock. They know that the debit and credit sides must equal the same amount. Therefore, any figure left out will be the balance between the two columns.
- If an account has entries only on one side e.g. debit side, the account can be totalled and the total written in pencil just under the last entry. You will see that this has been done in the memo using italics. If you want learners to practise balancing and totalling accounts, you can still let them do the complete balancing and totalling. Remember, though that this does take up time that could possibly be used more effectively in other ways.

Suggested answers

1.

Trial balance of Boxing Traders on 1 August 2012

Balance Sheet Accounts Section		**Debit**	**Credit**
Capital	B1		✓110 000
Drawings	B2	✓5 000	
Trading stock	B3	✓ **76 470**	
Bank	B4	✓2 800	
Nominal Accounts Section			
Sales	N1		✓98 000
Cost of sales	N2	✓78 400	
Rent	N3	✓58 000	
Rent income	N4		✓36 000
Water	N5	✓3 000	
Electricity	N6	✓7 200	
Telephone	N7	✓4 900	
Entertainment	N8	✓1 500	
Stationery	N9	✓3 900	
Transport costs	N10	✓2 830	
		244 000	244 000
		(11)	(3)

Trading stock opening balance = R56 470 ✓ (15)

Review Copy

2.

General Ledger of Boxing Traders

Balance Sheet Accounts Section

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

					2012 Aug	1	Balance	b/d	✓110 000

Drawings B2

2012 Aug	1	Balance	b/d	✓5 000	2012 Aug	30	Balance	c/d	✓11 000
	30	Bank	CPJ1	✓6 000					
				11 000					11 000
Sept	1	Balance	b/d	✓11 000					

Trading stock B3

2012 Aug	1	Balance	b/d	✓76 470	2012 Aug	30	Cost of sales	CRJ1	✓90 296
	30	Bank	CPJ1	✓28 800			Balance	c/d	✓14 974
				105 270					105270
Sept	1	Balance	b/d	✓14 974					

Bank B4

2012 Aug	1	Balance	b/d	✓2 800	2012 Aug	30	Sundry Acc	CPJ1	✓114 970
	30	Sundry Acc	CRJ1	✓ 118 870			Balance	c/d	✓6 700
				121 670					121 670
Sept	1	Balance	b/d	✓6 700					

Review Copy

Nominal Accounts Section

Sales N1

					2012 Aug	1	Total	b/f	✓98 000
						30	Bank	CRJ1	✓112 870
									✓210 870

Cost of sales N2

2012 Aug	1	Total	b/f	✓78 400					
	30	Trading Stock	CRJ1	✓90 296					
				✓168 696					

Rent N3

2012 Aug	1	Total	b/f	✓58 000					
	30	Bank	CPJ1	✓12 000					
		Bank	CPJ1	✓15 000					
				✓85 000					

Rent income N4

					2012 Aug	1	Total	b/f	✓36 000
						30	Bank	CRJ1	✓6 000
									✓42 000

Water N5

2012 Aug	1	Total	b/f	✓3 000					
	30	Bank	CPJ1	✓500					
				✓3 500					

Electricity N6

2012 Aug	1	Total	b/f	✓7 200					
	30	Bank	CPJ1	✓900					
				✓8 100					

Telephone N7

2012 Aug	1	Total	b/f	✓4 900					
	30	Bank	CPJ1	✓800					
				✓5 700					

Entertainment N8

2012 Aug	1	Total	b/f	✓1 500					
	30	Bank	CPJ1	✓650					
				✓2 150					

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Stationery N9

2012 Aug	1	Total	b/f	✓3 900					
	30	Bank	CPJ1	✓500					
				✓4 400					

Transport costs N10

2012 Aug	1	Total	b/f	✓2 830					
		Bank	CPJ1	✓460					
				✓3 290					

Wages N11

2012 Aug	30	Bank	CPJ1	✓45 000					

Fuel N12

2012 Aug	30	Bank	CPJ1	✓1 460					

Insurance N13

2012 Aug	30	Bank	CPJ1	✓2 900					

Review Copy

(49 + 6 for correct details + 6 for correct folios) (61)

3.

Trial balance of Boxing Traders on 31 August 2012✓

Balance Sheet Accounts Section		Debit	Credit
Capital	B1		✓110 000
Drawings	B2	✓11 000	
Trading stock	B3	**✓14 974**	
Bank	B4	✓6 700	

Nominal Accounts Section			
Sales	N1		✓210 870
Cost of sales	N2	✓168 696	
Rent	N3	✓85 000	
Rent income	N4		✓42 000
Water	N5	✓3 500	
Electricity	N6	✓8 100	
Telephone	N7	✓5 700	
Entertainment	N8	✓2 150	
Stationery	N9	✓4 400	
Transport costs	N10	✓3 290	
Wages	N11	✓45 000	
Fuel	N12	✓1 460	
Insurance	N13	✓2 900	
		✓362 870	✓362 870
		(15)	(4)

(20)

4. Use discretion with the learners' answers. They can say yes or no. However, they must justify their opinion with valid, relevant and logical reasoning.
Sample answers:
Yes. Mila does not know how to enter the source documents in the relevant journals, and each month this situation could get worse and worse.✓✓ It is expensive to hire an accountant to correct the books when they draw up the financial statements at the end of the year. ✓✓ (Max. 4)
No. Mila just needs some lessons on which source documents to put into the correct journals. ✓✓This is not difficult, as long as she is shown her mistakes. ✓✓ (Max. 4)

Total: 100 marks

Review Copy

Assessment guidelines

Use the suggested memorandum supplied above to assess learners informally. Allocate learners a mark out of 100 and give them feedback on their performance to prepare them for formal assessment. You can let the learners post only to specific accounts, for example Bank, Trading stock, Sales, Cost of sales if you want to shorten this activity.

Activity 5 Prepare the General Ledger and trial balance for Zinzi Boutique

Learner's Book page 49

Guidelines to implement this activity

- This is an individual activity. The learners have drawn up ledger accounts for service businesses in Grades 7 and 8.
- You will need to give the learners a list of accounts that have to be drawn up and the number of lines to be left open between each account. For example, Capital, (3 lines); Bank, Loan: Rabobank and Trading Stock (6 lines) and so on. You can count the lines used in the suggested answers for each activity and let the learners write these down before each activity that requires them to post to the General Ledger.

Suggested answers

1. A sole trader is a person who starts a business on his or her own. ✓✓ Sole traders receive all the profits ✓✓and are responsible for all the liabilities of the business. ✓✓ They pay personal income tax on the profits of the business and any other personal income. ✓✓All the capital is provided by the owner. ✓✓ (10)

2–3.

General Ledger of Zinzi Boutique

Balance Sheet Accounts Section

Review Copy

Capital B1

Dr									Cr
					2012 Mar	31	Bank	CRJ1	✓50 000

Bank B2

2012 Mar	31	Sundry Acc.	CRJ1	✓115 519	2012 Mar	31	Sundry Acc	CPJ1	✓108 678
							Balance	c/d	✓6 841
				115 519					115 519
Apr	1	Balance	b/d	✓6 841					

Loan: Rabobank B3

2012 Mar	31	Bank	CRJ1	✓3 950	2012 Mar	31	Bank	CRJ1	✓30 000
		Balance	c/d	✓26 050					
				30 000					30 000
					Apr	1	Balance	b/d	✓26 050

Trading stock B4

2012 Mar	31	Bank	CRJ1	✓41 400	2012 Mar	31	Cost of sales	CRJ1	✓20 050
							Balance	c/d	✓21 350
				41 400					41 400
2012 April	1	Balance	b/d	✓21 350					

Equipment B5

2012 Mar	31	Cost of sales	CRJ1	✓7 999					

Furniture B6

2012 Mar	31	Cost of sales	CRJ1	✓39 800					

Nominal Accounts Section

Sales N1

					2012 Mar	31	Bank	CRJ1	✓34 085

Cost of sales N2

2012 Mar	31	Trading stock	CRJ1	✓20 050					

Commission N3

					2012 Mar	31	Bank	CRJ1	✓1 400

Interest income N4

					2012 Mar	31	Bank	CRJ1	✓34

Wages N5

2012 Mar	31	Bank	CRJ1	✓3 300					

Review Copy

Stationery N6

2012 Mar	31	Bank	CRJ1	✓1 400					
		Bank	CRJ1	✓690					
				✓2 090					

Licence N7

2012 Mar	31	Bank	CRJ1	✓750					

Consumable stores N8

2012 Mar	31	Bank	CRJ1	✓260					

Rent N9

2012 Mar	31	Bank	CRJ1	✓9 000					

Bank charges N10

2012 Mar	31	Bank	CRJ1	✓129					

Review Copy

(37 + Max. 8 for details and folios) (45)

4.

Trial balance of Zinzi Boutique on 31 March 2012✓

Balance Sheet Accounts Section✓		Debit	Credit
Capital	B1		✓50 000
Bank	B2	✓6 841	
Loan: Rabobank	B3		✓26 050
Trading stock	B4	✓21 350	
Equipment	B5	✓7 999	
Furniture	B6	✓39 800	

Nominal Accounts Section✓			
Sales	N1		✓34 085
Cost of sales	N2	✓20 050	
Commission	N3		✓1 400
Interest income	N4		34
Wages	N5	✓3 300	
Stationery	N6	✓2 090	
Licence	N7	✓750	
Consumable stores	N8	✓260	
Rent	N9	✓9 000	
Bank charges	N10	✓129	
		111 569	111 569
		(11)	(5)

(19)

5. Gross profit is a calculation. ✓ It is sales minus cost of sales. ✓✓ The bank balance is the actual money in the bank account. ✓ (6)

Total: 80 marks

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Assessment guidelines

Use the suggested memorandum supplied above to assess learners informally. Allocate learners a mark out of 80 and give them feedback on their performance to prepare them for formal assessment. It is not necessary to allocate marks for every activity the learners do in class. Be selective so that the learners have an opportunity to make mistakes and learn from these without the pressure of mark allocation.

Challenge activity

Complete the financial records of Burton Building Supplies

Learner's Book pages 49 – 51

Guidelines to implement this activity

- This is an individual activity.
- Remind the learners that source documents are entered in the journal in date order. The best way to tackle an activity like this is to identify all the source documents for a specific journal e.g. CRJ = duplicate receipts, cash register tape, bank statement.
- Make a list of the dates appearing in these source document. The learner can then look for the relevant date in the source documents to ensure that the entries in the CRJ are in date order.
- Do the same for the CPJ.

Suggested answers

1.

Cash Receipts Journal of Burton Building Supplies for March 2012 CRJ 1

Doc	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Fee income	Sundry Accounts Amount	Fol	Details
1	3	Cash		✓11 970	11 970	✓11 570	✓8 900	✓400			
90	5	Gerry Burton		✓15 000	15 000				✓15 000	B1	Capital✓
2	8	Cash		✓27 100	27 100	✓25 740	✓19 800	✓1 360			
3	12	Cash		✓20 666	20 666	✓18 616	✓14 320	✓2 050			
4	16	Cash		✓14 740	14 740	✓14 040	✓10 800	✓700			
5	23	Cash		✓18 320	18 320	✓18 070	✓13 900	✓250			
6	29	Cash		✓27 800	27 800	✓26 000	✓20 000	✓1 800			
BS 98	31	Bank			✓39				✓39	N13	Interest income✓
					✓135 635	✓114 036	✓87 720	✓6 560	✓15 039		
					B3	N1	B6/N2	N3			
				(7)	(2)	(7)	(7)	(7)	(3)		(2)

(35 + 7 for folios) (42)

Cash Payments Journal of Burton Building Supplies for March 2012 CPJ1

Doc	Day	Details	Fol	Bank	Wages	Trading stock	Fuel	Sundry Accounts Amount	Fol	Details
C 103	3	PNA		✓2 500				✓2 500	N11	Stationery✓
EFT 78	5	Brick Makers CC		✓15 000		✓15 000				
C 104	4	Cash		✓680			✓680			
EFT 79	8	Wood Suppliers		✓7 000		✓7 000				
EFT 80		Brick Makers CC		✓5 000		✓5 000				
C 105	12	Cash		✓13 500	✓13 500					
C 106	15	Telkom		✓1 560				✓1 560	N10	Telephone✓
C 107		Cash		✓ 720	✓720					
C 108	16	Cash		✓13 500	✓13 500					
C 109	19	Melton High School		✓5 800				✓5 800	B2	Drawings✓
C 110	21	Machine Specialists		✓24 600				✓24 600	B5	Equipment✓
C 111	22	Jenson Security		✓7 500				✓7 500	N12	Repairs✓
EFT 81	23	Builders Wholesalers		✓28 000		✓28 000				
C 112	25	Cash		✓13 500	✓13 500					
C 113	30	Municipality		✓1 980				✓1 980	N8	Water and lights✓
EFT 82		Business premises		✓15 000				15 000	N5	Rent✓
				✓155 840	✓41 220	✓55 000	680	✓58 940		
				B3	N4	B6	N6			
				(17)	(5)	(5)	(1)	(8)		(7)

(43 + 11 for folios) (54)

Review Copy

2.

General Ledger of Burton Building Supplies

Balance Sheet Accounts Section✓

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

					2012 Mar	1	Balance	b/d	✓325 000
						31	Bank	CRJ1	✓15 000
									✓340 000

Drawings B2

2012 Mar	1	Balance	b/d	✓26 000					
	31	Bank	CPJ1	✓5 800					
				✓31 800					

Bank B3

2012 Mar	1	Balance	b/d	✓13 251	2012 Mar	1	Sundry acc.	CPJ1	✓155 840
	31	Bank	CRJ1	✓135 635					
		Balance	c/d	✓6 954					
				155 840					155 840
					Apr	1	Balance	b/d	✓6 954

Review Copy

Vehicles B4

2012 Mar	1	Balance	b/d	✓120 000					

Equipment B5

2012 Mar	1	Balance	b/d	✓55 000					
	31	Bank	CPJ1	✓24 600					
				✓79 600					

Trading stock B6

2012 Mar	1	Balance	b/d	✓45 000	2012 Mar	1	Cost of sales	CRJ1	✓87 720
	31	Bank	CPJ1	✓55 000		31	Balance	c/d	✓12 280
				100 000					100 000
Apr	1	Balance	b/d	✓12 280					

Nominal Accounts Section✓

Sales N1

					2012 Mar	1	Total	b/f	✓46 800
						31	Bank	CRJ1	✓114 036
									✓160 836

Cost of sales N2

2012 Mar	1	Total	b/f	✓36 000					
	31	Trading stock	CRJ1	✓87 720					
				✓123 720					

Review Copy

Fee income N3

					2012 Mar	1	Total	b/f	✓3 000
						31	Bank	CRJ1	✓6 560
									✓9 560

Wages N4

2012 Mar	1	Total	b/f	✓40 500					
	31	Bank	CPJ1	✓41 220					
				✓81 720					

Rent N5

2012 Mar	1	Total	b/f	✓15 000					
	31	Bank	CPJ1	✓15 000					
				✓30 000					

Fuel N6

2012 Mar	1	Total	b/f	✓2 500					
	31	Bank	CPJ1	✓680					
				✓3 180					

Rent income N7

					2012 Mar	1	Total	b/f	✓4 600

Water and electricity N8

2012 Mar	1	Total	b/f	✓19 000					
	31	Bank	CPJ1	✓1 980					
				✓20 980					

Bank charges N9

2012 Mar	1	Total	b/f	✓169					

Telephone N10

2012 Mar	1	Total	b/f	✓980					
	31	Bank	CPJ1	✓1 560					
				✓2 540					

Stationery N11

2012 Mar	1	Total	b/f	✓6 000					
	31	Bank	CPJ1	v2 500					
				✓8 500					

Review Copy

Repairs N12

2012 Mar	31	Bank	CPJ1	✓7 500					

Interest income N13

					2012 Mar	31	Bank	CRJ1	✓39

(53)

3.

Trial balance of Burton Building Supplies on 31 March 2012

Balance Sheet Accounts Section✓		**Debit**	**Credit**
Capital	B1		✓340 000
Drawings	B2	✓31 800	
Bank	B3		✓6 954
Vehicles	B4	✓120 000	
Equipment	B5	✓79 600	
Trading stock	B6	✓12 280	
Nominal Accounts Section✓			
Sales	N1		✓160 836
Cost of sales	N2	✓123 720	
Fee income	N3		✓9 560
Wages	N4	✓81 720	
Rent	N5	✓30 000	
Fuel	N6	✓3 180	
Rent income	N7		✓4 600
Water and electricity	N8	✓20 980	
Bank charges	N9	✓169	
Telephone	N10	✓2 540	
Stationery	N11	✓8 500	
Repairs	N12	✓7 500	
Interest income	N13		✓39
		521 989	✓521 989
(2)		(13)	(7)

(22)

Review Copy

4. Use discretion with learners' answers. They may answer yes or no, but they must justify their opinion with valid, logical reasoning.
   Sample answers:
   Yes. The bank overdraft is not high and his lowest cash sales amount was R11 570. ✓✓This means that if his sales continue he will pay off the bank overdraft within a few days. ✓✓ As a result, the interest will not be high. ✓✓ (Max. 4)
   No. His business is in overdraft so it means he has spent more than he has received. ✓✓ He had to put another R15 000 into the business as capital to boost his cash flow. ✓ If he had not done this, his bank overdraft would have been R21 954, which is high. ✓✓ (Max. 4)

Total: 175 marks

Assessment guidelines

Use the suggested memorandum supplied above to assess learners informally. Allocate learners a mark out of 175 and give them feedback on their performance to prepare them for formal assessment. This activity should take 1 hour 45 minutes if the learners have all the headings for the journals, ledger and trial balance already completed. You could do this activity in stages during lessons, allocating time to each segment. This way the learners will learn how to pace themselves in test and examination conditions.

Review Copy

Core concepts

1. When learners enter transactions to both CRJ and CPJ at the same time, they need to ask the following questions:
   - What is the business doing in this transaction?
   - Does this affect the CRJ or CPJ?
2. When learners enter source documents in both the CRJ and CPJ at the same time, they need to do the following:
   - Identify all the source documents for the CRJ e.g. Cash invoice, cash register roll, receipt, bank statement.
   - Write all the dates from these source documents on a scrap piece of paper.
   - Enter the source documents in the CRJ in date order, crossing off the date on their scrap paper as they use the specific date. In this way they will ensure that they have all their transactions in date order.
   - Accuracy with calculations is essential in order to get their trial balance to balance.
   - Learners may insert only the total if an account has entries only on one side.

UNIT

4 The Economy: The circular flow

Unit overview

Learner's Book pages 52 – 61

Recommended pacing: 40 minutes × 9 lessons = 6 hours

In this unit you will cover:

- the participants in the circular flow of a closed economy
- the flow of goods, services, money and the factors of production in a closed economy
- a diagram that illustrates the circular flow.

Review Copy

Teaching guidelines

- Start the unit with a recap of what the learners know from Grades 7 and 8 about the government, business, households and financial institutions.
- Learners will need to have coloured pencils and rulers to draw the flow diagram at the end of the unit.

Background knowledge

Remind the learners what the factors of production are: capital, labour, entrepreneurship and natural resources.

Activity 1 Identify the participants in the circular flow of the economy

Learner's Book page 54

Guidelines to implement this activity

- This is an individual activity.

Background knowledge

- The terms micro-economics and macro-economics will probably be new terms for the learners.
- The learners should have a reasonable knowledge of the four participants from previous grades.

Suggested answers

1. Households, businesses, the government and financial institutions
2. Financial institutions
3. Production
4. The main functions are passing laws and collecting taxes. It provides services to households and businesses, pays labour, and makes purchases of goods and services from businesses.
5. A closed economy considers income flow only within the country, and no foreign income is considered.
6. The household sector includes all people, trying to satisfy unlimited wants and needs. This sector is responsible for consumption (consuming goods and services) by making expenditure. It also owns and provides all labour, which is a service, and one of the factors of production that it sells.

Assessment guidelines

Use the suggested answers supplied above to assess learners informally.
Use the checklist below to assess learners informally. 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.			
understood who the participants in the circular flow are and how they interact with each other.			

Review Copy

Activity 2 Follow the flow of goods and services through the model

Learner's Book page 57

Guidelines to implement this activity

- This is an individual activity.
- When the learners give their own examples in questions 2 and 4, they will be indicating that they understand what goods and services are.

Background knowledge

- Learners should have a good understanding of the concepts goods and services.

Suggested answers

1. Goods and services
2. Plumbing, electrical goods and services, computers, kitchenware and appliances
3. Labour
4. Transport: buses, trains. Security: police. Healthcare: clinics, hospitals, medicines. Education: schools, textbooks, teachers.

Assessment guidelines

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

Criteria	Yes	Partly	No
The learner(s):			
followed the instructions in the Learner's Book and understood what to do.			
understood what goods and services are and are able to give their own examples.			

Activity 3 Plan the route of money around the circular flow model

Learner's Book page 59

Guidelines to implement this activity

- This is an individual and a group activity.
- Keep groups small (no more than 4) for question 2.
- Question 2 can be turned into a mini-project or at least a fun activity in which learners become the R100 note and describe their experiences as they change hands and travel through the system.

Review Copy

Suggested answers

1.1

Flow of income	Households	Businesses	Government	Financial institutions
Receives taxes from the other participants			✓	
Pays company taxes		✓		
Earns wages from the other participants	✓			
Makes loans to households and businesses				✓
Sells goods and services to the other participants		✓		
Provides labour to the government and businesses	✓			
Pays personal income tax	✓			
Receives savings from households and businesses				✓

2.1 and 2.2. Answers will vary, but should follow the directions in the question.

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.			
identified the functions of the participants in the table.			

Activity 4 Learn about the factors of production

Learner's Book page 60

Guidelines to implement this activity

This is an individual activity. In question 4 learners must use their own examples.

Background knowledge

Learners should have a good understanding of the factors of production from Grades 7 and 8, but this is a good opportunity to assess their knowledge.

Suggested answers

1. Natural resources, labour, capital and enterprise
2. Land and animals
3. By payment of wages
4. (Individual learner's sketch and choice of product)

Review Copy

Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers above to mark the learners' work. Use the checklist below to assess learners informally. 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.			
could name and describe the four factors of production.			

Activity 5 Complete a diagram of the circular flow of a closed economy

Learner's Book page 61

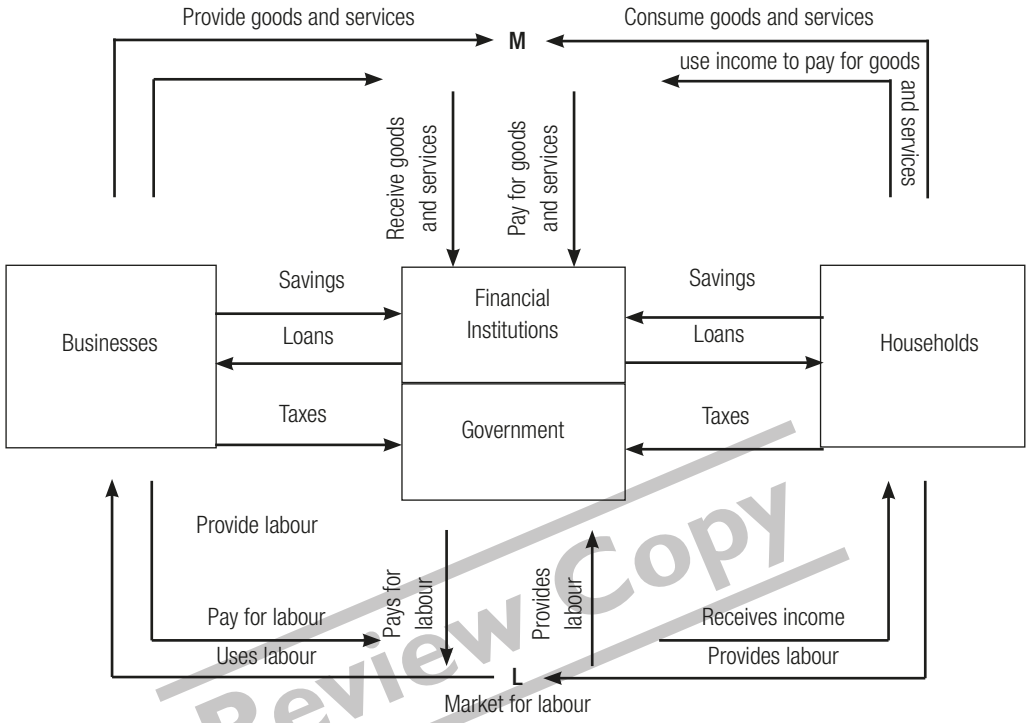
Guidelines to implement this activity

- This is an individual activity.
- Question 1 simply requires the learners to create a labelled diagram with all the information already provided. The idea is that they get practice at drawing the circular flow diagram and create a model that they can use when studying. The diagram should be neat, colourful and clearly labelled.

- Question 2 is an open-ended question with no single correct answer. It is purely reflective and could even be used in group or whole class discussions.

Suggested answers

1.



2. Learner's individual opinion and evaluation.

Review Copy

Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers above and the checklist below to assess learners informally. 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.			
could draw a labelled diagram of the circular flow model.			

Core concepts

Check that learners understand the following core concepts of this unit. Give them practice in using these concepts:
a closed economy, factors of production, goods and services.

Term 1 Assessment: Assignment

Teacher's Guide page 209

Draw up a presentation on economic systems

Guidelines to implement this activity

- This is an individual activity.
- It is important that you give learners a copy of the rubric you will be using to assess them formally.

Criteria for Assessment

The presentation will be assessed using the following criteria. Ensure that the learners have read through the criteria this carefully, and have understood what is required of them. Use the rubic below to assess their presentations.

Criteria	Excellent	Good	Average	Needs help
Presentation 10 marks	Very neatly Presented 8–10	Neatly presented 6–7	Fairly neat presentation 4–5	Poor presentation 0–3
Content detail 30 marks	A highly detailed report 8–10	A good amount of detail 6–7	Most of the important detail has been included 4–5	Very little detail 0–3
Convincing points 10 marks	Very convincing 8–10	Convincing 6–7	Fairly convincing 4–5	Unconvincing 0–3
Total marks				**50 marks**

Review Copy

Term 1 Assessment: Exemplar controlled test memorandum

Teacher's Guide pages 210–212

Section A

1.1 H – Bank✓✓
1.2 G – Owner pays personal telephone account✓✓
1.3 E – Cost of sales✓✓
1.4 F – The way in which the economies of most of the countries in the world have become interconnected✓✓
1.5 K – Sales✓✓
1.6 C – Bank overdraft✓✓
1.7 A – Also known as a capitalist system ✓✓
1.8 B – Centralised welfare states ✓✓
1.9 D – The government makes all decisions about what goods and services are produced, how they are produced and who they are produced for✓✓
1.10 I – Asset✓✓ (10 × 2)
[20]

2.1 Exploited ✓✓
2.2. Globalisation ✓✓
2.3 Duplicate receipt ✓✓
2.4 Bank statement ✓✓
2.5 Mark-up (or gross profit) ✓✓ (5 × 2)
[10]
Section A total: 30 marks

Review Copy

Section B: The Economy

3.1 Households✓, Businesses✓, Government✓, Financial Institutions✓ (4)
3.2 A bank✓✓ (2)
3.3
- The Household sector includes all people, trying to satisfy unlimited wants and needs. ✓ This sector is responsible for consumption (consuming goods and services) by making expenditures. It also owns and provides all labour. ✓
- Businesses combine the factors of production, including labour, which is provided by households, to produce goods and services. ✓ It pays the households for its labour and the other factors of production. ✓
- The main functions of the government sector are passing laws✓ and collecting taxes from businesses and households. ✓
- Financial institutions are large organisations such as banks and investment companies. ✓ They do not produce goods as other businesses do; they provide services. ✓ (8)

3.4

- Households mainly earn their incomes from the wages for the labour ✓and skills that they supply to businesses and the government. ✓ They would have to ask for a raise, work longer hours ✓ or get a promotion or a new job that pays better. ✓
- Businesses receive income from the government and households✓ in the form of payments for the goods and services that they sell. ✓ They could increase their sales✓ or increase their profit margins by cutting costs, without affecting sales. ✓
- The government receives its income (called revenue) from the taxes that households and businesses pay. ✓ Individual wage-earners in households pay personal income tax✓ and businesses pay company taxes. ✓ The government could either increase the tax rate e.g. change VAT to 15%, or increase the number of tax payers by lowering the minimum earnings for taxpayers. ✓
- Financial institutions act as facilitators. ✓ They receive savings from households and businesses and make loans to other households and businesses. ✓ They could increase the interest rates that they charge on loans or decrease the interest they pay on savings or increase bank fees. ✓ (4 × 4 =16)

Section B total: 30 marks

Section C – Financial literacy

4.1 Cost of sales (cost price) = $\frac{\text{selling price } (½) \times 100\ (½)}{100\ (½) + \text{mark up \% } (½)}$ (2)

4.2

4.2.1 When it is deposited directly into the bank and does not go through the cash register till.✓✓ (2)

4.2.2

Cash Receipts Journal of Tiyani Meat Supplies for June 2012

Doc	D	Details	Fol	Analysis of Rec.	Bank	Sales	Cost of sales	Sundry Accounts		
								Amount	Fol	Details
12	1	Durban Butchery		9 800	9 800✓	9 800✓	7 840✓			
13	4	Zinkwazi Resort		4 600	4 600✓	4 600✓	3 680✓			
14	6	Durban Butchery		11 500	11 500✓	11 500✓	9 200✓			
15	8	Redhill Hotel		6 300	6 300✓	6 300✓	5 040✓			
16	11	Zinkwazi Resort		10 900	10 900✓	10 900✓	8 720✓			
17	14	Tiyani		15 000	15 000✓			15 000✓		Capital✓
18					58 100✓	43 100✓	34 480✓	15 000✓		
					(7)	(6)	(6)	(2)		(1)

(22)

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4.2.3 Use discretion with learners' answers. They can include the following points:

- The transactions are recorded in date order. ✓✓
- All money received in the cash register must be written in the analysis of receipts first. ✓✓
- At the end of each day the money is deposited into the bank account at the bank. ✓✓
- The cost of sales must be calculated for each sales transactions and entered in the cost of sales column. ✓✓
- The amount of R15 000 for increased capital must be entered in the sundry accounts and the account name – Capital – entered into the details column. ✓✓ (Max. 10)

Reasons:

- Transactions are entered daily so that the deposits in the bank column match the amounts in the bank statement at the end of the month. ✓✓
- The cost of sales is calculated so that the owner can work out the gross profit at any time. The gross profit is the difference between the sales and cost of sales. ✓✓
- It is easier to calculate the cost of sales at the same time that the sale is entered, so that the task is not forgotten or done incorrectly. ✓✓
- The capital figure is entered in the sundry accounts as there is no specific column for this amount. ✓✓ (Max. 4)

Section C total: 40 marks
Total: 100 marks

Review Copy

Term 2 Financial literacy, The Economy and Entrepreneurship

Term overview

In this term, you will cover the new National Credit Act, which has interesting information for consumers. You will also cover calculation of the cost price of goods sold and entering credit sales for a trading concern in the subsidiary journals.

Resources

- Learner's Book, pages 62–107
- Learners' own exercise books
- 8-column cash book
- Calculator
- It is important to have a copy of the National Credit Act. It can be downloaded from <www. ncr.org.za>.

Content Coverage

UNIT	CONTENT	PACING (TIME ALLOCATION)	LB PAGES	TG PAGE
1	Financial literacy: Credit transactions – debtors	6 hours	67–79	87
2	The Economy: Price theory	6 hours	80–92	98
3	Entrepreneurship: Sectors of the economy	2 hours	93–103	105

Review Copy

Assessment

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

ACTIVITY				ASSESSMENT	
Type of activity	Activity	LB pages	TG page	Assessment tool	TG page
Data Response	Analyse and advise Jozie T-Shirt designs	–	213	Memorandum	111
Mid-year examination	Mid-year examination	104	213	Memorandum	113

Core concepts and definitions

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

CORE CONCEPTS AND DEFINITIONS	
Concept	Definition
Cost of sales	The cost price of the goods sold: selling price × 100 ÷ (100 + %mark up)
Credit note	The duplicate credit note is used to record debtors allowances in the Debtors Allowances Journal
Debtors	Accounting language for customer

Debtors Allowances	The account in the General Ledger used to record any returns or allowances given to the customer
Debtors Journal	Subsidiary journal to record only goods sold on credit
Equilibrium price	The price at which the quantity demanded equals the quantity supplied
Selling price	The price the customer pays for the goods
Substitute goods	Similar goods with which goods could be replaced e.g. butter for margarine

Term 1 Revision

Financial literacy

Suggested answers to revision questions

1. Analysis of receipts, Fee income (current income) (2)
2. Selling price × 100 ÷ (100 + % mark-up) (2)
3. Debit cost of sales and credit trading stock. The amounts in the trading stock are always entered at cost price – the price paid for the stock. When stock is sold, the trading stock must be reduced by the cost price of that stock. The balance of the trading stock should match the value of the physical stock in the shop. (4)

4 CRJ columns would include sales, cost of sales and fee/current income. The sale of stock would be recorded in the sales column and the charge for services and installation will be recorded in the current/fee income column. (6)

(14)

The Economy

Suggested answers to revision questions

1. households, businesses, the government and financial institutions. (4)
2. People do not have choices. The government controls the economy.
   Entrepreneurial skills and innovation are not rewarded.
   People will earn the same amount if they work hard or if they are lazy.
   Productivity is often low because businesses do not aim to make profits – they only aim to satisfy the need for goods.
   If productivity and production decrease to a point where supply does not meet the demand for goods and services, then people will not be able to satisfy their needs.
   There is a limited range of products because there is no competition. (Max. 4)
3. They act as facilitators. They receive savings from households and businesses and make loans to other households and businesses. Money flows through financial institutions from households to businesses and vice versa. (2)
4. Answers will vary. Below are a few of the points for or against globalisation that could be used:
   - Some people believe that they are a means of strengthening capitalism.
   - They feel that the economies of those countries that prefer to have more state control of production will be affected negatively because capitalist countries will not trade with them.
   - Some critics say that globalisation takes jobs away from well-paid workers in the wealthy nations and creates sweatshops in the poor countries.
   - Another criticism is that globalisation has impacted on the cultures of many peoples and countries. International marketing has led to international brands, so people all over the world end up wearing the same clothes, eating the same foods and buying many of the same consumer goods.
   - Supporters of the global economy say that the free movement of capital stimulates investment in poor nations and creates jobs in them.
   - It also gives domestic consumers a large amount of imported goods to choose from.

   (Max. 4)

   (14)

Review Copy

UNIT

1 Financial literacy: Credit transactions – debtors

Unit overview

Learner's Book pages 67–79

Recommended pacing: 40 minutes × 9 lessons = 6 hours (1 hour per week)

In this unit you will cover:

- credit sales
- the National Credit Act
- entering credit sales in Debtors Journal
- debtors allowances for returns and refunds or allowances
- entering allowances on credit sales in Debtors Allowances Journal
- entering cash received from debtors to pay their accounts in the Cash Receipts Journal.

Additional resources: Copies or handmade copies of invoices and credit notes

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Teaching guidelines

- The learners must understand the purpose of cost of sales and how to calculate this amount. They will struggle with the Debtors Journal if they do not have this concept clear.
- Collect copies of credit notes and credit invoices. If you are unable to do this, use the example in the Learner's Book and make copies on cardboard. Add these to the other source documents, which should be placed on the classroom wall.
- Play a game with the learners. Write a list of each source document they have dealt with, each on a separate piece of paper. Let learners have turns to pick one from a packet. They must then name the subsidiary journal that the source document is used for. You could also have the names of subsidiary journals on separate pieces of paper and the learner must name at least one source document. Divide the class into two teams. Allocate 4 points for a correct answer and subtract 2 for an incorrect answer. Make sure the class enjoys the game to show them that learning is fun.

Before we start

Suggested answers

1. Cash Receipts Journal (CRJ)
2. They ensure that transactions are entered daily and limit the number of entries in the General Ledger, which can become cumbersome.
3. To check that the double-entry principle of each transaction being entered on the debit side and credit side of two separate accounts is followed. It also checks the accuracy of the calculation.

Activity 1 Analyse an invoice

Learner's Book page 68

Guidelines to implement this activity

- This is a pair activity.
- The learners can discuss their answers. They must write their own answers in their exercise books.

Background knowledge

Most families have some form of credit facility e.g. store account or credit card. The learners may be able to suggest where their parents have accounts, and whether they have had e.g. clothes, school clothes or other items purchased for them on account.

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Suggested answers

1. Credit means the right-hand side of the ledger account or the right hand column of a trial balance.

2.1 Emma Barnes

2.2 R1 019.50

2.3 Cash sales means that the customers have to have the full amount available in cash when they purchase goods. Credit sales means that they take the goods but pay for them in instalments or only at the end of the month.

2.4 Use discretion with learners' answers. They may choose to say yes or no. However, they must support their answers with logical, valid reasons.
Sample answer:

- Yes, I would offer credit. It means I can increase my sales. However, I would keep strict control over the amount of credit allowed to each customer and ensure that the customers pay their accounts every month.
- No, I would not offer credit as it means I would have to employ more staff to manage the credit and credit customers. I would have to wait for the money but would have to replace the stock sold so that I did not lose sales because of lack of stock in the store. Some customers might not pay their accounts, and this would mean that I would have to take action against them to try to get the money.

Note: Some learners may already have worked out that Ayanda can use credit herself to purchase trading stock so that she does not have to wait for the cash.

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 2 Understand debtors

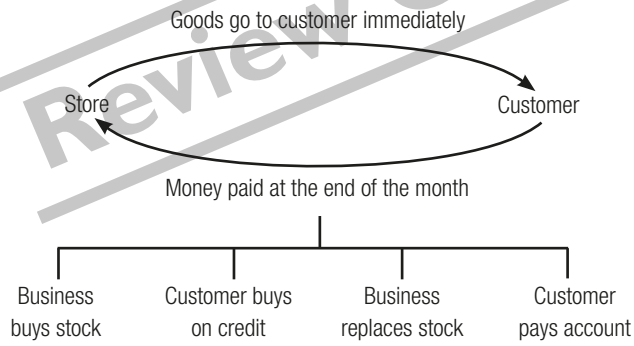
Learner's Book page 69

Guidelines to implement this activity

- This is a pair activity.
- Learners must discuss their answers and share information to ensure that they fill in any gaps in learning about the material so far.
- The learners must write their own answers in their exercise books.

Suggested answers

1. Discussion on the meaning of debtors: Customers purchase goods on credit; the maximum credit permitted will depend on their ability to repay the debt; it will also depend on their creditworthiness (how much credit they can afford to repay and their history of how well they have repaid accounts in the past with other businesses), the amount of money they earn, and other debts they already have.
2. Use discretion, and allow the learners to be creative. The following diagram is a sample.



Review Copy

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 3 Give advice on the NCA

Learner's Book page 74

Guidelines to implement this activity

- This is an individual activity.

Background knowledge

It is important to read through the National Credit Act. This will give you interesting information for your own benefit. The National Credit Act gives consumers many rights and all consumers need to be aware not only of their own responsibility but also that they can insist that businesses offering credit comply with the Act.

Suggested answers

1. The main purpose of the NCA is to protect South African consumers who want to obtain credit;✓✓to promote a fair but competitive market for businesses that offer credit; ✓✓to ensure that customers know exactly what the credit agreement contains,✓✓ and to make people aware of all the costs involved in the credit offer. ✓✓ (Max 6)
2. He may not force people to purchase on credit. ✓✓
   Denson must be very careful when doing a credit check, to ensure that the customer is able to repay the credit. ✓✓
   He must have a credit agreement in simple, easy-to-read language that the customer can understand. ✓✓
   He must inform the customer of all the costs involved in buying on credit. ✓✓
   (Max 6)
3. Customers will be able to purchase goods without available cash. ✓✓
   They can purchase up to a maximum amount set by the business and pay at the end of the month. ✓✓
   Customers can purchase more than they can afford at the time of the purchase and repay over a period of time e.g. 6 months. ✓✓ (Max 4)
4. He will need to have credit agreements drawn up and printed; ✓✓ he will have to employ a person to monitor the credit and ensure that the customers pay their accounts on time; ✓✓ he may have customers who do not repay their debt and he will lose that money; ✓✓he must send out monthly accounts to customers; ✓✓he must do a credit check to ensure that the information the customer gives him is correct. ✓✓ (Max 6)
5. Use discretion with learners' answers: they may chose to say yes or no. Their opinion must be substantiated with good, sound, valid reasons that are applicable to this scenario.
   Sample answer:
   Yes, I do think it is a good idea to offer credit as it will increase sales. ✓✓
   However, Denson must monitor the costs of offering credit with the increase in sales. ✓✓ If the sales increase is not enough to more than cover the costs of offering credit, he will need to withdraw from offering credit to customers. ✓✓
   Customers will prefer to shop at his store and buy on credit when they do not have cash to purchase at a cash store. ✓✓ Most businesses offer credit and he will lose sales to competitors by not offering credit. ✓✓ (Max 8)

Total: 30 marks

Assessment guidelines

This activity is intended for informal assessment.

Use the suggested memorandum supplied above to assess learners informally. Allocate

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learners a mark out of 30 and give them feedback on their performance to prepare them for formal assessment.

This activity is suitable for mark allocation. However, if you chose to allocate marks, the learners must be given the mark allocation before they do the activity.

Activity 4 Understand debtors allowances

Learner's Book page 72

Guidelines to implement this activity

- This is a group activity.
- Allow the learners to discuss debtors allowances in small groups of not more than 4 learners.
- Move from group to group and assess each learner's contribution to the discussion.
- Allow enough time for one member of each group to give feedback on the group's answer to one of the questions.

Suggested answers

1.1 Goods were damaged; the products were unsuitable or did not fit; the quality of the product was unsuitable; trade discount was not included on the invoice; the incorrect price was recorded on the invoice

1.2 The quality of goods purchased from suppliers is inferior; the salespeople persuade customers to take goods that do not fit or that they do not really want; goods are being stored incorrectly and damaged in the process; salespeople need training as they are making mistakes.

1.3 If it is the quality of goods from suppliers, a new supplier must be found; staff need to have training to ensure that the sale is solid and invoices are completed correctly; store rooms must be monitored and goods properly stored.

Review Copy

Assessment guidelines

This activity is intended for informal assessment.

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

No marks have been allocated to this activity. It is the first activity on debtors allowances. The learners must be given opportunities to do activities, make mistakes and learn from these without the pressure of marks being allocated.

In this way it is possible to see why the learners have made the mistake and to correct their thinking pattern or knowledge so that they are better prepared for formal assessment.

Activity 5 Create a job description for a bookkeeper

Learner's Book pages 72–73

Guidelines to implement this activity

- This is an individual activity.
- It may seem unnecessary to do this activity. However, writing a job description will give the learners a clear knowledge of the order in which the bookkeeping activities

must be done. This will help them when they eventually do all the subsidiary books and ledgers in one activity.

Suggested answers

The learners' answers will vary. The learners should be given a copy of the rubric so that they have clear guidelines on how to prepare an excellent answer.

The job description should include all aspects asked for in the question: the duties (daily, weekly, monthly) of the new bookkeeper; a reference to the ability to handle cash responsibly; and the need for experience in drawing up a credit agreement (or a list of all the information that should be included in a credit agreement). The learners' job descriptions should also include instructions to the bookkeeper and advice on how the bookkeeper can ensure that the total amount owing by debtors will not grow too high.

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.

If you choose to use this as a small project, you will need to allocate marks to the rubric. The learners should have a copy of this before they attempt the activity.

Criteria	Excellent	Good	Achieved	Not achieved
Daily, weekly, monthly duties	Excellent list and description that covers all aspects of the bookkeeper's role	List of duties with good explanations	List of activities divided into daily, weekly monthly tasks with some descriptions	Very little information, not sorted into daily, weekly, monthly, and so on
Handling cash	Excellent ideas that are relevant and practical showing some research and logical thinking	Good ideas showing some research	Indication of how cash should be handled in a business	Little indication of how to handle cash
Credit agreement	Sample credit agreement included with important points highlighted	Comprehensive list with important information highlighted	List of important information to be included in a credit agreement	Little or no information on the credit agreement, showing lack of knowledge and effort
Instructions to bookkeeper	Excellent instructions, showing understanding of debtors and the impact on the business	Instructions are clear and well written	A list of instructions included in the task	Very little knowledge, some of which is not applicable to the situation
Advice	Excellent advice that is practical and shows good understanding of credit sales	Advice to bookkeeper shows logical thinking	Advice included in the tasks but not always practical	If advice included, it was not applicable or relevant

Review Copy

Activity 6 Prepare a DJ

Learner's Book pages 74–75

Guidelines to implement this activity

- This is an individual activity.
- However, because it is the first time the learners are drawing up a Debtors Journal, you can allow them to work in pairs. It is a good opportunity to pair strong learners with someone who is experiencing learning difficulties. The strong learners must guide their partners and not just give them the answers. It will give the academically strong learners an opportunity to share knowledge and care for other learners. They will also need to have a clear understanding of what they do rather than just rote knowledge if they are to guide and explain the work to other learners who are struggling.

Suggested answers

1. Customer

2–3.

Debtors Journal of Forrest Fabric Wholesalers for September 2012

Day	Inv	Debtor	Fol	Sales	Cost of sales
2	345	Medler's Designs		5 999	4 285
6	346	Fay's Bridal World		2 590	1 850
13	347	Hannah's Haberdashery		5 600	4 000
21	348	Medler's Designs		3 598	2 570
24	349	Fay's Bridal World		1 498	1 070
25	350	Hannah's Haberdashery		3 248	2 320
				22 533	16 095

Review Copy

4. The cost of sales column is used to calculate the cost price of the goods sold. This amount will be entered in the trading stock to calculate the value of stock on hand in the store at the end of the month.
5. Use discretion with learners' answers. They must be logical and relevant to the scenario.
   - Venisha must send out accounts before the end of the month – i.e., close her debtors accounts on the 25th of each month.
   - She should get her bookkeeper to telephone clients if they have not paid by a specific date e.g. by the 5th of the month.
   - She must send reminder letters in the middle of the month.

Assessment guidelines

This activity is intended for informal assessment.

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

If learners have done the activity individually, you can let them exchange books and check each other's answers. They must explain why they think the learner has done something incorrectly.

Marks have not been allocated as learners need to have opportunities to practise the concept before being put under mark pressure.

Activity 7 Draw up the DJ for Allie's Book Supplies

Learner's Book page 75

Guidelines to implement this activity

- This is an individual activity.
- Learners must do this on their own to check that they understand the concepts.
- Let the learners draw up and write in the headings for the Debtors Journal at home to save valuable time in class.

Suggested answers

1. A credit sale

2–4.

Debtors Journal of Allies Book Supplies for May 2012

Day	Inv	Debtor	Fol	Sales	Cost of sales
2	27	Sunnyhill School		269,50	215,60
5	28	Mr Schermy		1 450,00	1 160,00
9	29	Gina Genilli		960,50	768,40
12	30	Sunnyhill School		5 300,00	4 240,00
15	31	Dream Playschool		2 600,90	2 080,72
	32	Wendy Wiles		860,50	688,40
20	33	Mr Schermy		590,00	472,00
21	34	Dream Playschool		4 000,00	3 200,00
				16 031,40	12 825,12

Review Copy

5. Sunnyhill School R269,50 + R5 300 = R5 569,50
   Mr Schermy: R1 450 + R590 = R2 040
   Gina Genilli: R960,50
   Dream Playschool: R2 600,90 + R4 000 = R6 600,90
   Wendy Wiles: R860,50
6. Use discretion when checking the learners' answers. They must check their invoice against the sample in the Learner's Book to see that they have included all the relevant and important information.

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 8 Complete a DAJ for Forrest Fabric Wholesalers

Learner's Book page 77

Guidelines to implement this activity

- This is an individual activity.
- If some learners are still struggling with the cost of sales calculations and concept, you may want to do this activity together in class.
- Prepare the chalkboard with the columns and headings for the activity before the learners enter the lesson.
- Ask learners for suggestions on how to complete each transaction. Learners can have turns writing on the chalkboard.
- Discuss incorrect answers by asking questions so that learners arrive at the correct answer themselves, for example:
  - Why have you put that in that particular column?
  - What does that amount represent?
  - What has the business done?

Suggested answers

1. Goods are returned by customers or customers have asked and been given a discount or reduction in price that was not included on their invoice.

2–3.

Debtors Allowances Journal of Forrest Fabric Wholesalers for September 2012

C/N	Day	Debtor	Fol	Debtors Allowances	Cost of sales
12	4	Medler's Designs		196,00	
13	10	Fay's Bridal World		490,00	350,00
14	29	Fay's Bridal World		245,00	175,00
				931,00	525,00

Review Copy

4. When a reduction is given on the amount in the invoice e.g. trade discount, and goods are not returned.
5. Yes, it is possible that the quality of the beads Forrest Fabrics is receiving from their supplier is poor. If so, they need to source a new supplier.

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 9 Complete a CRJ for Forrest Fabric Wholesalers

Learner's Book page 78

Guidelines to implement this activity

- This is an individual activity.
- The learners have had good practice with drawing up a CRJ. They should be able to do this activity without assistance.
- Give them time to draw up the headings for the CRJ. This could be done for homework.

Suggested answers

1. Credit is the right-hand side of a ledger account or trial balance. It is also the term used for selling or buying on account, i.e., taking the goods immediately but paying for these only at the end of the month.

2–4.

Cash Receipts Journal of Forrest Fabric Wholesalers for October 2012

Doc	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Debtors	Sundry Accounts		
									Amt	Fol	Details
69	25	Medler's Designs		5 000	5 000			5 000			
70	27	Hannah's Haberdashery		4 300	4 300			4 300			
71	28	Fay's Bridal world		2 650	2 650			2 650			
					11 950			11 950			

Review Copy

5. Medler's Designs: R5 999 + R3 598 = R9 597 – (196 + 5 000) R5 196 = R4 401
   Fay's Bridal World: R2 590 + R1 498 = R4 088 – (490 + 245 + 2 650) R3 385 = R673
   Hannah's Haberdashery: R5 600 + R3 248 = R8 848 – R4 300 = R4 548
6. Use discretion with learners' answers. They must support their answer with logical, valid reasons that are applicable to Forrest Fabric Wholesalers.
   Sample answers:
   - Yes, the customers are paying their accounts after 30 days and the amounts due are not high.
   - No, the customers have not paid their accounts in full after 30 days. This is costing The business money as it has to find other finance to replace the stock sold.

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 10 Complete a CRJ for Allie's Book Supplies

Learner's Book page 78

Guidelines to implement this activity

- This is an individual activity
- Allow learners time to draw up the headings for the CRJ. This can be given as a homework task so that valuable time is not wasted in class.

Suggested answers

1.1 Electronic Funds Transfer ✓
1.2 Cash Receipts Journal✓
1.3 Cash Register Roll/Tape✓ (3)
2–3.

Cash Receipts Journal of Allie's Book Supplies for June 2012

Doc No	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Sundry accounts		
									Amt	Fol	Details
CRT 23	1	Cash		5 900,00	5 900,00	5 900,00	4 720 ,00				
R 90	8	Sunnyhill		5 569,50	5 569,50			5 569,50			
CR T24	18	Cash		8 700,00	8 700,00	8 700 ,00	6 960 ,00				
R 91	20	Mr Schermy		1 600,00				1 600,00			
CRT 25		Cash		12 000,00		12 000 ,00	9 600 ,00				
R 92		Dream Play School		5 000,00	18 600,00			5 000,00			
CRT 26	25	Cash		7 400,00	7 400,00	7 400 ,00	5 920 ,00				
R 93	30	Gina Ginelli		960,50				960,50			
CRT 27		Cash		3 950,00	7 910,50	6 950 ,00	5 560 ,00				
					54 080,00	40 950,00	32 760,00	13 130,00			
		(9 ÷ 2) (4½)		(9 ÷ 2) (4½)	(7)	(6)	(6)	(5)			

(33)

4. List of Allie's Book Supplies Debtors:
Sunnyhill School: ✓ R269,50✓ + R5 300✓ = R5 569,50✓✓ – R5 569,50✓ = 0✓ (7)
Mr Schermy: ✓ R1 450✓ + R590✓ = R2 040✓✓ – R1 600 ✓= R560✓ (7)
Gina Genilli: ✓ R960,50 ✓– R960,50✓ – 0✓ (4)
Dream Play School: ✓R2 600,90✓ + R4 000✓ = R6 600,90✓✓ – R5 000✓
= R1 600,90 ✓ (7)
Wendy Wiles: ✓ R860,50 ✓ (2)

Review Copy

[27]

5. Use discretion with learners' answers: (7)
   Sample answer:
   Yes, I think she is managing her debtors well. ✓ Two of her five debtors paid their accounts in full. ✓✓ Mr Schermy owes only R560 on an invoice only purchased at the end of the month. ✓✓ Wendy Wiles purchased goods only in the middle of the month so her payment is not due yet. ✓✓

[70]

Total: 70 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 70 and give them feedback on their performance to prepare them for formal assessment.

This is a good activity to allocate marks if the teacher wishes to do so. The learners have had a lot of practice with CRJ and this activity adds only the Debtors control column.

If marks are to be given, the learners must have this information before doing the activity.

Core concepts

The learners must understand the concept of cost of sales and the importance of a Debtors control account. They also need to know why a Debtors allowances column is used in the Debtors Allowances Journal and not the sales column.

Review Copy

UNIT 2

The Economy: Price theory

Unit overview

Learner's Book pages 80–92

Recommended pacing: 40 minutes × 9 lessons = 6 hours

In this unit you will cover:

- the Law of Demand, the demand schedule and the demand curve
- the Law of Supply, the supply schedule and the supply curve
- equilibrium price and quantity
- changes and increases in quantity demanded and quantity supplied.

Additional resources: A ruler and a sharp pencil for drawing graphs

Teaching guidelines

- It is vital that learners understand the basic concepts of demand, supply and price before they begin on the graphs.
- Provide additional examples of simple demand schedules for additional practice of drawing graphs.
- Make sure that learners always label the axes of the graphs accurately

Activity 1 Understand demand

Learner's Book page 82

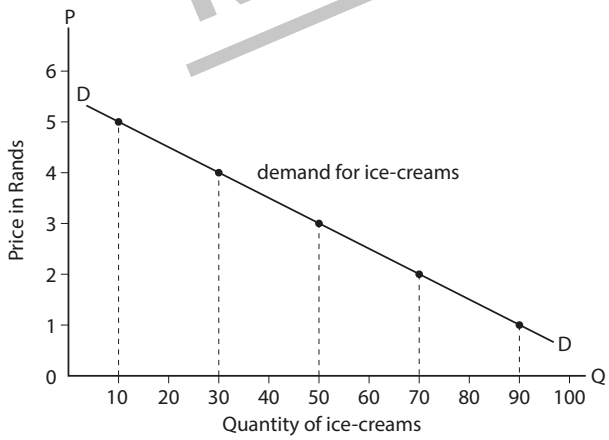
Guidelines to implement this activity

- This is an individual activity.
- Go over the points on drawing the demand graph carefully, making sure that all the learners are able to draw the axes and plot the points on the graph. Learners should draw the graphs in pencil.

Suggested answers

1. Demand is the quantity of goods and services which will be bought at a particular price.
2. The Law of Demand is an economic law, which states that consumers will buy more of a commodity when its price is lower and less when its price is higher. This means that as price increases, demand decreases; and as price decreases, demand increases.

3.1 40 pens
3.2 15 pens
4.1 R5,00
4.2 R2,50
5.



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.			
could use a demand schedule to draw a demand curve.			

Activity 2 Interpret supply

Learner's Book page 84

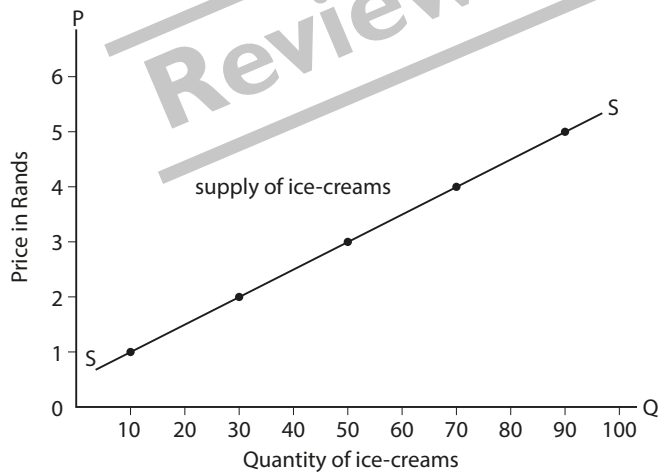
Guidelines to implement this activity

- This is an individual activity.
- Go over the points on drawing the demand and supply graphs carefully again, making sure that all the learners are able to draw the axes and plot the points on the graph.

Suggested answers

1. According to the Law of Supply, the quantity of a commodity that a supplier is willing to supply increases when the price increases.

2.1 30 pens
2.2 55 pens
3.1 R5,00
3.2 R2,50
4.



Review Copy

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers and the checklist on the next page to assess learners informally. 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.			
could use a supply schedule to draw a supply curve.			

Activity 3 Plot the equilibrium price

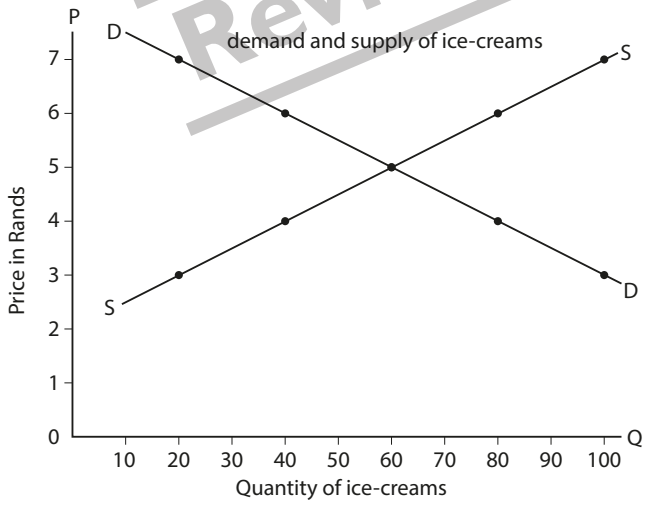
Learner's Book page 86

Guidelines to implement this activity

- This is an individual activity.
- Make sure that learners understand that equilibrium price occurs where quantity demanded equals quantity supplied.
- As this is the third graph the learners will be drawing, they should by now have a good understanding of how to draw and label the axes.

Suggested answers

1. Equilibrium price is the price at which the quantity demanded is exactly equal to the quantity that a supplier is willing to supply.
2. There is no supply surplus at an equilibrium price.
3. The price and the quantity on the demand curve are the same as the price and the quantity on the supply curve.
4.



Review Copy

Assessment guidelines

This activity is intended for informal assessment.

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

Criteria	Yes	Partly	No
The learner(s):			
followed the instructions in the Learner's Book and understood what to do.			
could draw supply and demand curves on the same axes and plot the equilibrium price.			

Activity 4 Illustrate changes in demand and supply

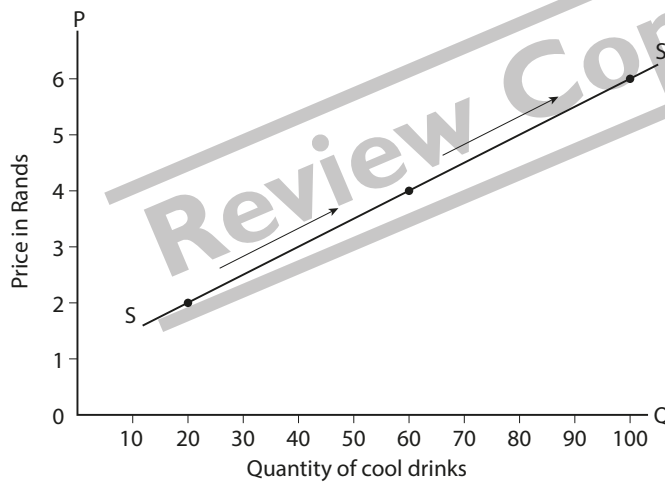
Learner's Book page 87

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. When the price of the good changes, this causes the quantity demanded to change.
2. A change in the quantity demanded due to a change price results in movement along the demand curve.
3. The movement will be along the supply curve from left to right, as indicated in the graph below.



Review Copy

Assessment guidelines

This activity is intended for informal assessment.

Use the suggested answers and the checklist below to assess learners informally. 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.			
could indicate a change in supply on a supply curve			

Activity 5 Illustrate shifts in demand and supply curves

Learner's Book page 90

Guidelines to implement this activity

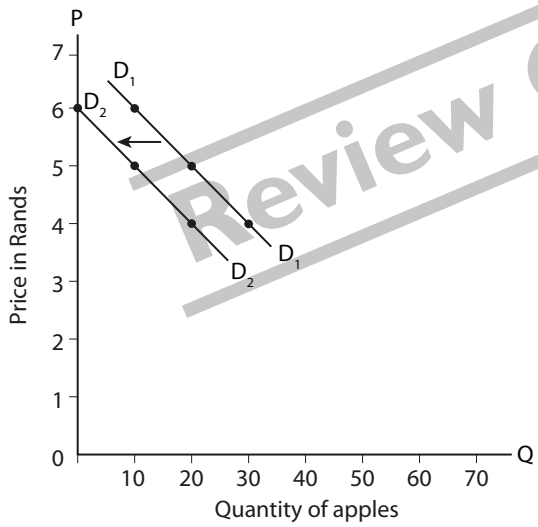
- This is an individual activity.
- Go over the reasons for shifts in supply and demand carefully getting learners to identify possible substitutes and give examples of how tastes change e.g. fashions.

Suggested answers

1.

	Column A	Column B
1.1	If the cost of raw materials rises supply will	decrease
1.2	If the price of substitute products drops demand will	decrease
1.3	If consumer tastes change due to more advertising of a product demand will	increase
1.4	If consumer incomes increase demand will	increase
1.5	If technology improves the methods of production supply will	increase

2.



There has been a decrease in demand and the curve has shifted to the left.

Review Copy

Assessment guidelines

This activity is intended for informal assessment.

Use the suggested answers and the checklist below to assess learners informally. 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.			
could illustrate and explain a shift in demand.			

Activity 6 Illustrate changes in demand and supply

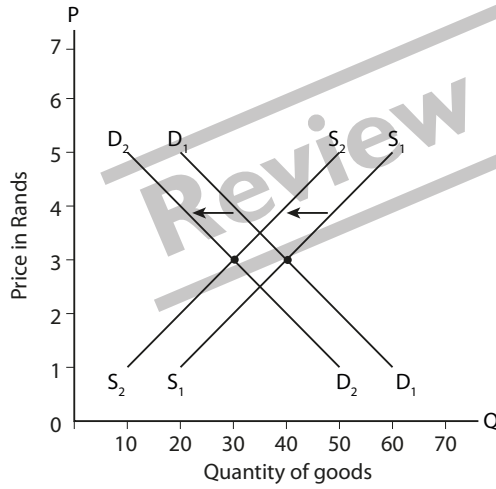
Learner's Book page 91

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. It shifts to the left.
2. It increases.
3. It stays the same.
4.



Review Copy

Assessment guidelines

This activity is intended for informal assessment.

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

Criteria	Yes	Partly	No
The learner(s):			
followed the instructions in the Learner's Book and understood what to do.			
could illustrate shifts in demand and supply and explain why they occur.			

Core concepts

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

- The Law of Demand
- The Law of Supply
- Equilibrium price
- Shifts in demand and supply curves

UNIT 3

Entrepreneurship: Sectors of the economy

Unit overview

Learner's Book pages 93–103

Recommended pacing : 40 minutes × 2 lessons = 2 hours

In this unit you will cover:

- the three economic sectors that play roles in the conversion process that raw materials go through to become finished products
- the resources that the economic sectors use and the interrelationship between them
- the kinds of businesses that operate in each of the three sectors
- the skills that are needed in each of the three sectors.

Additional resources: Newspapers, magazines for reference.

Review Copy

Term 2

Activity 1 Classify businesses by economic sector

Learner's Book page 96

Guidelines to implement this activity

- This is an individual, pair and class activity.
- Each learner defines the sectors in his or her exercise book.
- With a partner, the learners discuss and categorise a list of businesses into the sectors in which they operate.
- As a class, learners agree on their lists or defend their choices if these are disputed.
- You may need to arbitrate the final decision.

Suggested answers

1. The primary sector grows, harvests or extracts raw materials from the land, rivers and seas. The secondary sector manufactures goods using raw materials from the primary sector; and the tertiary sector stores, transports and distributes goods and services through its shops, offices and other business premises.
2. Learners have an opportunity to discuss in pairs and identify businesses by economic sector. This is an informal assessment activity and no marks are necessary. (The ticks in the table indicate distribution among the three sectors.)
   - Primary industries: gold mining, fishing, apple farm, dairy farm, citrus farm.
   - Secondary industries: bakery, kettle factory, ice cream maker, motor vehicles factory, computer factory.
   - Tertiary industries: funeral parlour, advertising, travel agent, law office, supermarket, butchery, restaurant, sports shop, clothing store, pharmacy, doctor, hardware store, vegetable store.

Example	Primary	Secondary	Tertiary
Funeral parlour			✓
Ice-cream maker			✓
Bakery		✓	
Advertising agency			✓
Butchery			✓
Apple farm	✓		
Motor vehicle factory		✓	
Supermarket			✓
Gold mine	✓		
Doctor			✓
Hardware store			✓
Restaurant			✓
Travel agent			✓
Fishing company	✓		
Sports shop			✓
Pharmacy			✓
Fruit and vegetable store			✓
Computer factory		✓	
Law office			✓

Review Copy

3. This is a group discussion, which could be done in the form of a debate. Learners will need to defend their choices to each other, where there are differences of opinion.

Assessment guidelines

This activity is intended for informal assessment.

Use the suggested answers and the checklist below 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):			
completed their definitions of the three sectors individually, in their exercise books.			
discussed in pairs and categorised the list of businesses into primary, secondary and tertiary sector businesses.			
discussed as a class the list of businesses and agreed on the sectors in which the businesses operate.			

Activity 2 Find the sector connections

Learner's Book page 98

Review Copy

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. Each learner must develop a mind map for the chosen business – a hair salon or a motor spares shop. Each mind map will be different and will depend on products and services connected to either business that the learner has identified.
   Suggestions are:
   - Hair salon: Offers hair care services – washing, cutting, treatments, perms, colouring and styling, all tertiary sector services. Sells and uses hair products – shampoos, conditioners, gels, colour tints and shampoos, obtained from other tertiary sector businesses. Some shampoos, conditioners and hair colours may come directly from the manufacturers in the secondary sector of the economy. Also uses cleaning supplies, water and electricity, telephones and banking services, accountant and legal advice, all from the tertiary sector of the economy.
   - Motor spares shop: Sells motor vehicle spare parts, tyres and vehicle accessories (such as steering wheel covers, seat covers and rubber mats), all obtained from secondary sector manufacturing industries. Also offers advice on suitable parts, accessories and tyres for particular makes of vehicle and repairs required. Sales and services are tertiary sector activities. Uses cleaning supplies, water and electricity, telephones and banking services, accountant and legal advice, all from the tertiary sector of the economy.

2. Cross-links may be made to connect supplying businesses to other service businesses for the supply of cleaning supplies, water and electricity, telephones and banking services, accountant and legal advice, all from the tertiary sector of the economy. Vehicles spares and tyres are also used by other secondary and tertiary sector businesses.

Assessment guidelines

This activity is intended for informal assessment.

Use the suggested answers and the checklist below to assess learners informally. 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 produced a mind-map showing the activities of their chosen business with indications of the sectors that the products or service came from.			
identified possible cross-links between suppliers and consumers.			

Review Copy

Activity 3 Discuss options for the sustainable use of resources

Learner's Book page 100

Guidelines to implement this activity

- This is a group activity (5 or 6 learners per group).
- Group discussions allow learners to share ideas and insights on what is likely to be a very unfamiliar topic.
- As you circulate among groups, share some of your ideas where it seems that a group may be finding it difficult to come up with possibilities for sustainable usage of resources in each of the economic sectors.

Suggested answers

1–2. This is a group discussion, and answers will vary widely.

Examples are:

- **Primary sector:** Reduce the need for water in agriculture by using water-wise irrigation methods; grow crop varieties that need less water; use more efficient extraction methods in mining so that less desired materials are lost in rocky waste; reuse water through mining cooling systems; leave smaller fish in the sea to grow and breed.
- **Secondary sector:** Reduce energy use and emissions in manufacturing and distribution; improve packaging to be less wasteful; use recycled products in packaging; do not use woods and glues from non-sustainable forests, contribute to reuse and recycling of goods; support developing more efficient technology.

- **Tertiary sector:** Reuse and recycle packaging; encourage consumers to reuse carrier bags by charging for them and offering reusable cloth bags; make sure that business transport is energy-efficient and well-maintained; arrange shop display areas and offices to be efficient users of air-conditioning and lighting.
- **Individual**: Focus on being water-wise; use low-energy globes; switch off lights and appliances when they are not being used; repair and reuse clothing, furniture and household appliances; sort waste and recycle everything that can be recycled.

Assessment guidelines

This activity is intended for informal assessment.

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

Criteria	Yes	Partly	No
The learner(s):			
participated actively in their group discussions and contributed ideas for reusing and recycling natural resources.			
developed suggestions for businesses to recycle, reuse or reduce their resources in each economic sector.			

Review Copy

Activity 4

Track the development of a good through the three sectors of the economy

Learner's Book page 102

Guidelines to implement this activity

- This is a pair activity.
- Partners work together to research and prepare the information they need for a product flow-chart.
- Each learner must prepare his or her own report based on this research, as instructed.

Suggested answers

1. Answers will differ widely. The basic levels of skills are unskilled (farm or mine labourers, cleaners, road sweepers), semi-skilled (production-line factory workers, bricklayers), skilled (trained craftsmen, supervisors and managers) and/or highly skilled (doctors, lawyers, architects, and so on). Only one example is needed for each skills level.

2–6. You could get learners to do this activity individually, but having a partner will spark more creativity and share the work required for the research and preparation of the report.
   - Each learner should write up his or her own version of the report, although they learners can repeat the flow chart exactly in both reports.

- The reports must follow a formal structure of: title (1)
  - introduction (4)
  - body explaining results of research (10)
  - inclusion of flow chart (10)
  - conclusion. (5)

[30]

Total: 30 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 30 and give them feedback on their performance to prepare them for formal assessment.

Core concepts

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

- Primary sector
- Secondary sector
- Tertiary sector.

Review Copy

Term 2 Assessment: Data response

Analyse and advise Jozie T-Shirt Designs

Teacher's Guide pages 213–214

Guidelines to implement this activity

- This is an individual activity.
- Learners should do this test under test conditions. This means that they must not have their Learner's Book and must not be able to check with their friends for answers.

Suggested answers

1. Capital, ✓ Loan Rabobank✓, bank overdraft✓ (any 2 × 1 mark) (2)

2.1 Fixed assets are possessions that are reused and do not change within a year. ✓✓ e.g. equipment, vehicles (any 1 example × 1 mark) (3)

2.2 Current assets are possessions that change within 1 year ✓✓ e.g. trading stock, Debtors (any 1 × 1 mark) (3)
Note: Bank would be incorrect as it is a bank overdraft in the case study.

2.3 Non-current liabilities are debts that are repaid over more than 1 year. ✓✓ e.g. Loan: Rabobank, Capital (any 1 × 1 mark) (3)

2.4 Current liabilities are debts that change within a one year period. ✓✓ e.g. bank overdraft ✓ (3)

3. Selling price – cost price = mark up
R194 040 ✓– R88 200 ✓= R105 840✓

$$\frac{\text{Mark-up} \times 100}{\text{Cost price}} = \frac{\text{R105 840} \times 100}{\text{R88 200}} = 120\%$$ (8)

4.

	1 March 2012	1 April 2012
Assets:		
Vehicles	125 000	125 000
Equipment	93 000	105 000
Trading stock	68 000	46 125
Debtors	13 560	31 260
(A)	**299 560**	**307 385**
Liabilities:		
Loan Rabobank	60 000	48 000
Bank overdraft	5 725	23 741
(B)	**(65 725)**	**(71 741)**
(A – B)	**✓233 825**	**✓235 644**
Less: Drawings	(25 000)	✓(25 000)
Owner's Equity	**✓✓208 835**	**✓✓210 644**

(8)

Review Copy

5. Jocelyn increased her Owner's Equity by R1 809. ✓✓ Although her bank overdraft increased by R18 016, she paid of a large portion of her loan (R12 000) ✓✓ and purchased more equipment for R12 000. ✓✓ However, if you compare her owner's equity with her capital contribution, she is making a loss. ✓✓ She needs to look at her debts and try to reduce these as soon as possible. ✓✓She will need to increase her sales and reduce her expenses to boost her profit. ✓✓ (Max 8)
6. It is important to control business expenses as the profit. ✓✓ Although Jocelyn has increased her sales this month, her stationery is very high for this type of business. ✓✓ Her transport costs were R12 995 in one month, which also looks very high. ✓✓ Her telephone bill increased by R5 000 in one month, which is excessive. ✓✓ She must take control and investigate these high increases. ✓✓ It does seem that some theft or misuse of business property is serious and she is making a loss as a result. ✓✓ (Max 6)
7. Use discretion with the learners' answers. They must use the information in the trial balance for their answers. Any logical, reasonable answer that is applicable to this business can be accepted.
   Sample answer:
   Other than keeping a close watch on expenses, Jocelyn can increase her selling price if her competitors are selling similar goods at higher prices. ✓✓ She can repay her loan over a longer period of time to reduce this monthly cost. ✓✓ Her debtors are very high this month. ✓✓ She must ensure that they pay their accounts promptly every month. ✓✓ (Max 6)

Total: 50 marks

Review Copy

Assessment guidelines

This activity is intended for formal assessment.

Use the memorandum supplied above to assess learners. Allocate learners a mark out of 50 and record the marks for formal assessment.

A summary of the cognitive levels for the questions has been included. It is a good idea to do this table when setting tests to make sure that your questions are as close to the required cognitive level percentages as possible.

Question	Cognitive levels			Marks
	1	2	3	
1	2			2
2	12			12
3		8		8
4		8		8
5			8	8
6		6		6
7			6	6
	14	**22**	**14**	**50**
Required	15	20	15	50
Required %	30%	40%	30%	

Term 2 Assessment: Exemplar mid-year examination memorandum

Learners' Book pages 104–107

Exam total: 100 marks

Section A

1.1 B – A planned economy✓✓
1.2 B – Farmer✓✓
1.3 A – Baker✓✓
1.4 D – Debtors✓✓ (4 × 2)
[8]

2.1 Globalisation✓✓
2.2 Tertiary✓✓
2.3 Debtors journal✓✓
2.4 Financial institutions✓✓ (4 × 2)
[8]

3.1 D ✓✓ – An account that the owner needs to monitor to check that the quality of goods purchased is correct.
3.2 C ✓✓ – The owner must monitor this to ensure that customers pay their accounts regularly and on time.
3.3 E ✓✓ – Supply the labour in the circular flow of a closed economy
3.4 A ✓✓ – Highly skilled workers (4 × 2)
[8]

4.1 decreases✓✓
4.2 Cash Receipts ✓✓
4.3 National Credit Act✓✓ (3 × 2)
[6]

Section A total: 30 marks

Review Copy

Section B: The Economy

5.1 Workers have some choice regarding the work they do and who they work for. ✓✓
- Competition leads to lower prices and better quality products for consumers. ✓✓
- Productivity is usually higher because businesses aim to make a profit. ✓✓
- Consumers have a wider range of products to choose from. ✓✓ (4 × 2)

[8]

6. See the figure on page 57 of the Learner's Book [12]

Section B total: 20 marks

Section C: Financial Literacy

7.1 a) R5 500✓✓
b) R20 470✓✓
c) R2 530✓✓
d) R6 134✓✓ [8]

7.2 Pumula Primary School asked for a R50 discount that was not included in their invoice. ✓✓ [2]

7.3

General Ledger of Layoni Trading Centre
Balance Sheet Accounts Section

Dr **Trading account B4** **Cr**

2012 Feb	1	Balance	b/d	24 670	2012 Feb	29	Cost of sales (½)	CRJ1	✓20470
	29	Bank (½)	CPJ	✓19 540			Cost of sales (½)	DJ	✓6134
		Cost of sales (½)	DAJ	✓174					

(6)
[16]

- Use discretion with the learners' answers. They have been asked for their opinion, and it can be yes or no. However, it must be justified with sound, logical reasons that apply to this scenario.
  Sample answer:
  - I think Jenson has made a good decision. Many people do not have the cash to purchase what they need immediately. ✓
  - The National Credit Act provides that Jenson may not give customers credit if he knows they cannot afford to repay the debt. ✓✓ He must draw up his credit agreement in simple language that the customers can understand. ✓✓ The customers must be told all the costs that are involved e.g. interest charged for late payments. ✓
  - Jenson must ask the customer applying for credit details of all their income and current debts. ✓✓ Jenson is offering store credit so he would not have to give the customer a written quotation. ✓✓ However, he will need to set a maximum credit limit that he knows the customer will be able to repay. ✓✓
  - The National Credit Act was developed to protect the customer, ✓ and business owners like Jenson must make sure they know exactly what is contained in this Act. ✓✓ [14]

  Note: If the learners choose to say no, they could give the following reasons:
  - The National Credit Act was developed to protect customers not the business. ✓✓
  - It gives the business owner additional paper work. ✓✓
  - If Jenson does not obtain the correct information from the customer, he may not be able to claim the money owing to him. ✓✓
  - A trading store is usually in a village or rural village where income is not very high.
  - Customers may not be able to afford credit. ✓✓

Review Copy

- Customers tend to buy more than they can afford to repay. ✓✓
- Additional staff are needed to manage and control the credit and ensure that payments are made by the customer/debtors. ✓✓

Section C total: 30 marks

Section D: Entrepreneurship

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

9.2 The learners' answers must apply to Zanele, who runs an informal business.
Sample answer:
Zanele has a role in the secondary industry as she is manufacturing cakes and biscuits. ✓✓A formal and an informal business can be involved in the secondary sector. ✓✓ She has a role in this sector as she is supplying people's needs by offering to bake on their behalf. ✓✓A large portion of the country's workforce is involved in the secondary sector. ✓✓ Zanele will be able to provide employment for other people if her business grows. ✓✓ (8)

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

(Any 4 valid points × 2) (8)

Section D total: 20 marks

Total: 100 marks

Review Copy

Term 3 The Economy, Financial literacy and Entrepreneurship

Term overview

The term begins with a unit on trade unions that looks at their history, roles, responsibilities, effects on businesses and sustainable development in South Africa.

This is followed by two units on credit transactions. The first is on debtors and posting to the Debtors Ledger and General Ledger. In this unit learners look at credit purchases and how these affect the books of the business. The second unit on credit transactions is on creditors and recording transactions in the Creditors Journal. In this unit learners look at how credit sales and purchases affect the accounting equation.

Next there is a unit on the functions of a business, which includes all of the following: administration, purchasing, marketing, finances, public relations, human resources, production and risk management.

In the last unit the learners will post from the DJ, DAJ and CRJ to the General and Debtors Ledgers. They will study the National Credit Act and its effect on business and consumers. The term will end with the Creditors and Creditors Allowances Journal, paying creditors, and posting all of this to the General and Creditors Ledgers. The learners will identify the effect the credit transactions have on the accounting equation.

Review Copy

Resources:

Learner's Book, pages 108–171
Learners' own exercise books
Calculator, General Ledger, 8-column cash book, 3-column journal

Content coverage

UNIT NO.	CONTENT	PACING (TIME ALLOCATION)	LB PAGES	TG PAGE
1	Trade unions	4 hours	113–121	119
2	Credit transactions – debtors	4 hours	122–137	123
3	Credit transactions – creditors	3 hours	138–147	141
4	Functions of a business	3 hours	148–159	146
5	Credit transactions – creditors	4 hours	160–171	152

Assessment

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

ACTIVITY				ASSESSMENT	
Type of activity	**Activity**	**LB pages**	**TG page**	**Assessment tool**	**TG page**
Project	Researching trade unions	–	221	Rubric with assessment criteria	164
Controlled test	Term 3 Exemplar controlled test	–	222	Memorandum	166

Core concepts and definitions

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

Concept	Definition
Accounting equation	Assets = Liabilities + Owner's equity
Creditors	Accounting language for suppliers
Creditors Allowances	Allowances for or reduction on goods returned to supplier
Creditors Allowances Journal	The subsidiary book used to record any returns or allowances requested from suppliers using a duplicate debit note
Creditors Journal	Subsidiary journal used to record any credit purchase using an invoice
Debit note	The business sends the supplier a debit note together with the damaged goods to ask for a reduction on the invoice received from the supplier.
Debtors Ledger	Transactions affecting debtors are recorded in date order in each individual debtors account
Effect of credit purchases on accounting equation	Liability + (creditors control); OE – (Expense) or Asset (asset purchased) +; Liability +
Effect of credit purchases returns or allowances on accounting equation	Liability – (creditor control); OE + (expense reversed) OR Asset – (asset returned); Liability – (creditors control)
Effect of credit sales on accounting equation	Asset + (Debtors control); OE + (sales) Asset – (Trading stock); OE – (cost of sales)
Effect of credit sales return or allowance on accounting equation	Selling price: Asset – (Debtors control); OE – (debtors allowances) Cost Price only if goods are returned: Asset + (Trading stock); OE + (Cost of sales)
Invoice	A source document, reflecting items purchased and their cost. The original invoice must be supplied, and a duplicate must be kept by the business. All relevant details relating to a transaction must be reflected. Invoices must be numbered. Suppliers use different numbering systems
Trade discount	Discount given for bulk purchases. It is shown only on the invoice and not in the accounting records
Wildcat strikes	Strikes by workers without approval from the officials of their trade union

Review Copy

Term 2 Revision

The Economy

Suggested answers to revision questions

1. The cost of raw materials drops, for example due to good harvests of crops. The methods of production and productivity improve due to new technology. (2)
2. As price increases, so quantity demand decreases; and as price decreases, so quantity demand increases. (2)
3. Graphs will vary but should have axes labelled correctly and show equilibrium price as the price where the demand and supply curve intersect. (5)
4. If suppliers push up prices above equilibrium price then demand will not equal supply and there will be a supply surplus. If they drop their price below equilibrium price then demand will exceed supply and there will be a supply deficit (2)

(11)

Financial literacy

Suggested answers to revision questions

1.1 Debtors: customers who purchase goods from the business on credit and pay at the end of the month. (2)

1.2 Debtors Allowances: any allowance given to a customer for goods returned or reduction on an invoice e.g. trade discount (2)

2. Use discretion with the learners' answers. Their information must include:
   • purpose of the NCA • how the NCA affects business • how the NCA affects customers.
   Refer to page 73 of the Learner's Book. (4)
3. Use discretion with the learners' answers. They must apply their knowledge of the NCA to this scenario.
   Sample answer:
   Phumzile does not earn enough money to be able to repay R3 000 credit unless the repayments are over a longer period e.g.
   six months, which would be R500 per month. The business has not obtained information about her liabilities e.g. rent, monthly costs and any other credit agreement she may already have. The clothing store needs to be given a warning regarding reckless credit lending practices. They have also not complied with all the requirements laid down in the NCA e.g. obtaining all the financial information from the customer. (4)

(11)

Review Copy

Entrepreneurship

Suggested answers to revision questions

1. The primary sector of the economy harvests or mines raw materials✓✓ for use in the secondary sector, where they are converted into semi-finished and finished goods✓✓ for sale to businesses in all sectors of the economy. The tertiary sector of the economy comprises businesses that offer goods and services to other businesses and the general public✓✓. (3)
2. Unskilled workers work at physical labour-intense jobs✓✓, loading and carrying supplies, cleaning, digging, herding, and so on. ✓✓ (3)
3. Semi-skilled workers have some job-specific training and are generally supervised by skilled workers✓✓. They may have jobs as apprentices in workshops, hair salons, plumbing and electrical services and operating industrial machines. ✓✓ (2)
4. Skilled work involves highly technical knowledge and training✓✓ and qualified people are found in supervisory, managerial and professional positions, such as doctors, dentists, lawyers, mechanics, computer technicians, and so on✓✓. (3)

(11)

UNIT

1 The Economy: Trade unions

Unit overview

Learner's Book pages 113–121

Recommended pacing: 40 minutes × 6 lessons = 4 hours

In this unit you will cover:

- the concept of trade unions and a brief history of their development
- the roles and responsibilities of trade unions in South Africa
- trade unions and their effect on business, as well as their contribution to sustainable growth and development .

Additional resources: Current newspaper articles on trade union activities

Review Copy

Teaching guidelines

Trade unions are highly active in the South African labour sector. Use current information in the media to make this unit more interesting.

Background knowledge

Refer to learners' background knowledge of South Africa's history and the role of trade unions in the struggle against apartheid.

Activity 1 Understand the background to trade unions

Learner's Book page 115

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1.1 Discuss something in order to reach an agreement
1.2 A system where one person or a small group of people negotiate on behalf of a large group who are all trade union members
2. Wages and working conditions
3. The belief is that if workers negotiate as a large group, employers will be more willing to listen to them.
4. The first trade unions were established in Europe in the 1700s during the Industrial Revolution, when workers were paid very badly and working conditions were shocking.

Term 3

5. During the apartheid era, from 1948 to 1994, trade unions played an important part in the economic and political struggle that brought about democracy. In 1985 many small trade unions joined together to form the Congress of South African Trade Unions (COSATU), which joined another organisation called the United Democratic Front (UDF). Together they were part of the Mass Democratic Movement, which was a huge formation of groups opposed to apartheid. In August 1992, three million workers joined a strike action in support of peace and democracy. It was the biggest strike action ever in South Africa.

Assessment guidelines

This activity is intended for informal assessment.

Use the suggested answers above and the checklist below to assess learners informally. 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.			
understood the background to the trade union movement.			

Activity 2 Discover the roles and responsibilities of trade unions

Learner's Book page 117

Review Copy

Guidelines to implement this activity

- This is an individual activity.
- Learners may need to be shown how to draw a timeline.

Background knowledge

Assist learners if necessary in finding information about strikes. Sources may be newspapers, the internet or workers / trade union officials who have been involved in strike action.

Suggested answers

1. Minimum wages, retirement age and maximum working hours per week.
2. When no solution is found through negotiation, the last action unions take is to tell the workers to strike.
3.

Group	Responsibility of unions
Community	Consider their rights
Employers and workers	Keeping good relations with them
Workers	Giving them good advice
Employers	Negotiating with them in a peaceful way with as little disruption to production as possible
Businesses	Helping them to grow and to create more jobs

4. Learners will create their own timelines during the year.

Assessment guidelines

This activity is intended for informal assessment.

Use the suggested answers above and the checklist below to assess learners informally. 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.			
understood the roles and responsibilities of trade unions.			

Activity 3 Examine the effects of trade unions on businesses

Learner's Book page 118

Guidelines to implement this activity

- This is an individual activity.
- Question 4 could also be used in a class discussion.

Background knowledge

Try to find information on the effects of the strikes that took place in South Africa in 2012 or if there are more recent examples, use these to make the topic more relevant.

Review Copy

Suggested answers

1. If employees demand wage increases that are too high, the only solution for the owner of the business is to reduce the number of employees, and retrenchments occur.

2.1 The productivity of workers increases.

2.2 The threat of strikes by trade unions has made business management far more democratic. Owners are now much more willing to listen to workers' grievances and to negotiate with them.

3. Possible consequences:

Employers	Employees
Losses in profits as a result of wastage of raw materials could cause the business to shut down or retrench workers	A lack of pay could force the workers into debt. They may fall behind on payments e.g. rent, bonds, hire-purchase agreements or insurance policies and have to move out, sell their houses, or cancel policies
They may find that the customers never come back after the strike has ended. This loss of customers could cause the employer to shut down the business or retrench workers	Consequences will be the same as for losing their pay, but far more serious, as losing their jobs has long-term consequences

4. Once the strike is over, even if the business has not been closed down by it, the bad feelings can remain. This will affect teamwork, productivity, and profitability in the future.

Assessment guidelines

This activity is intended for informal assessment.

Use the suggested answers above and the checklist below to assess learners informally. 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.			
could identify and discuss the effects of trade unions on businesses.			

Activity 4 Role-play the negotiation procedure

Learner's Book pages 121

Guidelines to implement this activity

This is an individual, pair and group activity. When dividing the class into groups, make sure that there are learners who are good at debating topics in each group.

Background knowledge

It is important that the learners have some background information on either the Lonmin strikes or any other recent negotiations between workers, trade unions and employers. The Internet has plenty of information on the 2012 labour unrest and the role of trade unions.

Review Copy

Suggested answers

1. A wildcat strike is a strike which does not have the backing of a trade union. Workers voice their own opinions. It can cause losses for workers, who do not get paid and can also be dismissed. Businesses lose income when work stops. Property can be damaged and people hurt if the strike turns violent.
2. Trade unions can contribute to this growth in a number of different ways:
   - Large trade unions can put a lot of pressure on the government to spend money on projects and services that will bring growth and development. For example, spending more money on improving infrastructure will create many new jobs and help the development of transport and communication networks which are necessary for growth.
   - They can urge the government to increase spending on skills training of workers. For example, the government introduced a system called Skills Education and Training Authorities (SETAs) which assists with training workers in a variety of industries.
   - They ensure that workers are paid fair wages for their work, and this improves productivity in the workplace, which adds to growth.
   - They ensure good working conditions and safety in the workplace, which also improves productivity.
   - Through negotiations, they can settle disputes with employers in an orderly

manner. This reduces disruptions to work that might occur if workers were all negotiating as individuals.

3. Answers will vary. It is difficult to predict how learners will respond. They should back up their responses with quotes from the case study such as " a third of members joined a trade union to improve their wages and working conditions" and "60% of members are unhappy with wage settlements".
4. The object of the exercise is to reach a negotiated settlement. Make sure to keep the discussion focused on this point, and afterwards discuss with the class the difficulties that the negotiators faced.

Assessment guidelines

This activity is intended for informal assessment.

Use the suggested answers and the checklist below to assess learners.

Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
The learner(s):			
followed the instructions in the Learner's Book and understood what to do.			
could discuss the ways in which trade unions can contribute to sustainable growth.			

Core concepts

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

- Trade unions and their roles and responsibilities
- Strikes
- Negotiations
- Collective bargaining

Review Copy

UNIT 2

Financial literacy: Credit transactions – debtors

Unit overview

Learner's Book pages 122–137

Recommended pacing: 40 minutes × 6 lessons = 4 hours

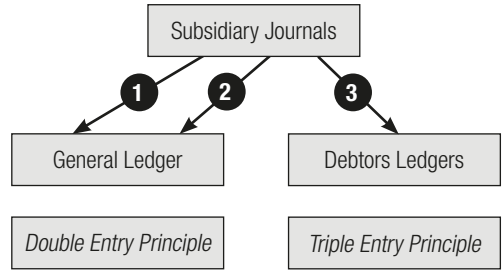
In this unit you will cover:

- posting from the Debtors and Debtors Allowances Journals to the General Ledger and the Debtors Ledger
- buying on credit from suppliers (creditors)
- completing the Creditors and Creditors Allowances Journals.

Additional resources: Copy of the National Credit Act

Teaching guidelines

- The learners must understand the purpose of the Debtors and Creditors Ledgersand the Debtors and Creditors Allowances Journals.



Before we start

Suggested answers

1. Goods purchased on credit by customer
2. Goods are returned because they are damaged; not suitable; incorrect delivery; or the price on the invoice is incorrect e.g. trade discount has been omitted.
3.

Debtors Journal of (name of business) for (month and year)

Inv No	Day	Debtor	Fol	Sales	Cost of sales

4. selling price × 100 ÷ (100 + mark up) = Cost price

Review Copy

Activity 1 Post to General Ledger and DL of Basil's Motor Spares

Learner's Book page 128

Guidelines to implement this activity

- This is an individual activity.
- Although this is an individual activity, it is good to pair learners together so that they can help each other.
- As this is the first time the learners are posting to the General Ledger and the Debtors Ledger, you may want to do this activity together with the class.
- Prepare the main General Ledger accounts and one or two Debtors Ledger accounts on the chalk board.
- Work through the posting one entry at a time. Let the learners enter the first few ledger entries together with you.
- Do not do the entire activity with them. After two or three entries leave them to complete the activity on their own.
- Give the learners the names of all the ledger accounts that they will need and the number of blank lines to leave after each one. The learners will need to leave additional lines to post DAJ and CRJ later in the unit. For example, Capital (3 lines); Debtors control, Trading stock, Bank, Sales, Debtors Allowances, cost of sales (6 lines each).
- Let the learners draw up the headings before beginning the activity.

Suggested answers

1. The Debtors Ledger is a detailed account of all the transactions with each individual debtor.

2–3.

General Ledger of Basil's Motor Spares

Balance Sheet Accounts Section

Dr **Debtors Control B1** **Cr**

2012 Jan	31	Sales	DJ1	10 212					

Trading Stock B2

					2012 Jan	31	Cost of sales	DJ1	2 960

Nominal Accounts Section

Sales (N1)

					2012 Jan	31	Debtors Control	DJ1	10 212

Cost of sales (N2)

2012 Jan	31	Trading stock	DJ1	6 920					

Creditors Ledger of Basil's Motor Spares

General Standard D1

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jan	1	Invoice 213		2 100		2 100
	8	Invoice 215		645		2 745

Review Copy

Matt Motor Repairs D2

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jan	3	Invoice 214		987		987
	25	Invoice 218		4 600		5 587

B. Khumalo D3

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jan	15	Invoice 216		320		320
	20	Invoice 217		1 560		1 880

4.

Debtors list of Basil's Motor Spares on 31 January 2012

		General Standard	D1	2 745		
		Matt Motor Repairs	D2	5 587		
		B. Khumalo	D3	1 880		
				10 212		

Review Copy

5.

General Ledger	Debtors Ledger
Entries are recorded at the end of the month	Entries are recorded daily – in date order
General Ledger accounts are part of the double-entry principle	Debtors Ledger accounts form part of the triple-entry system
These accounts are used to draw up the income statement and balance sheet	These accounts do not affect the income statement or balance sheet
Used to calculate profit	Used to control the amount each debtor owes the business
Summary of debtors is recorded in the debtors control account	Summary of debtors is recorded in a debtors list

7. Use discretion, as the learners are asked for their opinion. They must use logical and relevant reasons to justify their opinion.
   Sample answer:
   The business can make sure that the person doing the General Ledger is different from the person controlling the debtors ledger. The debtors control must match the debtors list drawn up by a different person.

Assessment guidelines

This activity is intended for informal assessment.

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

The learners can exchange books to check each other's answers. Learners who are far ahead of the others and have the work correct can check a few learners' books.

Activity 2 Posting from the DAJ to the General Ledger and DL

Learner's Book page 136

Guidelines to implement this activity

- This is an individual activity.
- Learners must use the same General Ledger accounts from the previous activity. This means that they can start posting immediately without having to draw up new General Ledger accounts.

Suggested answers

Note: This suggested answer has the posting from the DAJ in italics so that you can see how it is added to the information posted from the DJ.

1. A credit note is a source document that is used when the business agrees to a reduction in the debtors accounts because of goods returned or trade discount offered to the debtor.

2–4.

Review Copy

General Ledger of Basil's Motor Spares

Balance Sheet Accounts Section

Dr **Debtors Control B1** **Cr**

2012 Jan	31	Sales	DJ1	10 212	*2012 Jan*	*31*	*Debtors allowances*	*DAJ1*	*860*
							Balance	*c/d*	*9 352*
				10 212					*10 212*
Feb	*1*	*Balance*	*b/d*	*9 352*					

Trading stock B2

2012 Jan	*31*	*Cost of sales*	*DAJ1*	*430*	2012 Jan	31	Cost of sales	DJ1	2 960

Term 3

Nominal Accounts Section

Sales (N1)

					2012 Jan	31	Debtors Control	DJ1	10 212

3.

Cost of sales (N2)

2012 Jan	31	Trading stock	DJ1	6 920	*2012 Jan*	*31*	*Trading stock*	*DAJ1*	*430*
							Total	*c/f*	*6 490*
				6 920					*6 920*
Feb	*1*	*Total*	*b/f*	*6 490*					

Debtors allowances (N3)

2012 Jan	*31*	*Trading stock*	*DAJ1*	*860*					

Review Copy

Note: It is advisable that the learners draw up NEW debtors ledger accounts as the information must be placed in DATE order:

Debtors Ledger

Ledger of Basil's Motor Spares

General Standard D1

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jan	1	Invoice 213		2 100		2 100
	4	*Credit note 31*			*300*	*1 800*
	8	Invoice 215		645		*2 445*

Matt Motor Repairs D2

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jan	3	Invoice 214		987		987
	25	Invoice 218		4 600		5 587

B. Khumalo D3

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jan	15	Invoice 216		320		320
	20	Invoice 217		1560		1 880
	I	Credit note 32			560	1 320

5.

Debtors list of Basil's Motor Spares on 31 January 2012

		General Standard	D1	*2 445*		
		Matt Motor Repairs	D2	5 587		
		B. Khumalo	D3	*1 320*		
				9 352		

Review Copy

6. Use discretion with the learners' answers. They must justify their opinion with sound, logical reasons that are relevant to Basil's Motor Spares.
   Sample answer:
   Yes, I do think it is a problem. It means that the supplier is not delivering the right spares or that the spares are not the correct quality. Basil needs to speak to the supplier or source a new supplier.

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 3 Post from the CRJ to the General Ledger and DL

Learner's Book page 134

Guidelines to implement this activity

- This is an individual activity.
- The learners must use the same General Ledger accounts that they used for the previous two activities.
- They should use new debtors ledger accounts as this information must be written in date order.

Suggested answers

Note: The information posted from the CRJ has been typed in italics so that you can clearly see how it is added to the information from the DJ and DAJ.

1. Goods sold for cash
2. Goods sold on credit
3.

General Ledger of Basil's Motor Spares

Balance Sheet Accounts Section

Capital B1

					2012 Jan	31	Bank	CRJ1	6 000

Trading stock B2

2012 Jan	31	Cost of sales	DAJ1	430	2012 Jan	31	Cost of sales	DJ1	2 960
							Cost of sales	*CRJ1*	*4 650*

Bank B3

2012 Jan	*31*	*Sundry accounts*	*CRJ1*	*23 200*					

Review Copy

Debtors Control B4

2012 Jan	31	Sales	DJ1	10 212	2012 Jan	31	Debtors Allowances	DAJ1	860
							Bank	CRJ1	7 500
							Balance	c/d	1 852
				10 212					10 212
Feb	1	Balance	b/d	1 852					

Nominal Accounts Section

Sales (N1)

					2012 Jan	31	Debtors Control	DJ1	10 212
							Bank	CRJ1	9 700

Cost of sales (N2)

2012 Jan	31	Trading stock	DJ1	6 920	2012 Jan	31	Trading stock	DAJ1	430
		Trading stock	*CRJ1*	*4 650*					11 140
							Total	c/f	11 570
Feb	1	Total	b/f	11 140					

Debtors allowances (N3)

2012 Jan	31	Trading stock	DAJ1	860					

3.

Debtors Ledger of Basil's Motor Spares

General Standard D1

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jan	1	Invoice 213		2 100		2 100
	4	Credit note 31			300	1 800
	8	Invoice 215		645		2 445
	20	Receipt 7			2 000	445

Review Copy

Matt Motor Repairs D2

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jan	3	Invoice 214		987		987
	20	*Receipt 8*			*1 000*	*(13)*
	25	Invoice 218		4 600		*4 587*

B. Khumalo D3

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jan	15	Invoice 216		320		320
	20	Invoice 217		1 560		1 880
	24	Credit note 32			560	1 320

4.

Debtors list of Basil's Motor Spares on 31 January 2012

		General Standard	D1	445		
		Matt Motor Repairs	D2	4 587		
		B. Khumalo	D3	1 320		
				6 352		

5. The debtors are paying their accounts and not purchasing goods.
6. Use discretion with the learners' answers. They must justify their opinion with sound, logical reasons that are relevant to Basil's Motor Spares.
   Sample answer:
   Yes, I think the NCA is adding to the costs of Basil's business. He must make sure his credit agreements are printed in easy to understand language and make sure that the customer knows exactly what is contained in it and all the costs that Basil intends to charge the customer for buying on credit. He must also follow up on the customers financial information to make sure they can afford the credit otherwise he will not be able to claim the money from them if they fail to repay their account. I do not think he should stop offering credit as his customers will then go to his competitors who offer credit.

Review Copy

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 4 Work with the accounting equation: Cosway Traders

Learner's Book page 135

Guidelines to implement this activity

- Allow the learners to copy the accounting equation into their exercises, drawing lines to form a table.

- It is not necessary for learners to rewrite the questions; they just need to write the question numbers.
- The suggested answer has the questions included in the table for easy reference for the teacher.

Suggested answers

	Transaction	Source Document	Assets	Liabilities	OE
e.g.	Trading stock sold for cash	CRT	+ –	0	0
1	Benton Supplies purchased goods on account	Invoice	+ –	0	+ –
2	Cosway Traders purchased stock and paid using the Internet	EFT	– +	0	0
3	Benton Supplies notified us that their invoice was R20 too high	Credit note	–	0	–
4	Paid rent	Cheque	–	0	–
5	Sold goods to Denver Events on credit	Invoice	+ –	0	+ –
6	Received loan from Rabobank	Bank statement	+	+	0
7	Peter Cosway transferred cash into the business bank account to increase the capital	Bank Statement/ Receipt	+	0	+
8	Benton Supplies returned stock that was unsuitable	Credit note	+ –	0	+ –
9	Paid the monthly installment on the loan	Cheque	–	–	0
10	Received payment from Benton Supplies on their account	Receipt	+ –	0	0
	Mark allocation:	(10)	(17)	(2)	(9)

(38)

Review Copy

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

Activity 5 Draw up the financial records for Party and Packaging

Learner's Book pages 136–137

Guidelines to implement this activity

- This is an individual activity.
- This is the first time the learners have used 3 journals and 2 ledgers in the same activity.
- It is important that you give them time to draw up the headings in the journals and ledger accounts.
- Before the learners attempt this activity, it is important that you go through – step by step – the correct, disciplined and logical way to handle a task like this. It is important, because a methodical approach to any accounting task is critical to a successful outcome.

Background knowledge

The correct method to use when doing this type of activity:

Step 1: Prepare the headings for all the journals

Step 2: Take one transaction at a time and decide which journal is appropriate.

Step 3: Record the transaction in the selected journal.
Repeat steps 2 and 3 until all transactions have been entered in the journals.

Step 4: Total all the columns one journal at a time until all are complete.

Step 5: Make a list of all the possible General Ledger accounts – divide these into balance sheet section and nominal section.

Step 6: Open the General Ledger accounts leaving 6–7 lines blank below each one. Leave at least 8 lines between the balance sheet section and the nominal section in case you have left out an asset or liability account and need to add it in later.

Step 7: Select one journal e.g. Debtors Journal. Post from this journal to the General Ledger. Do not forget to enter the folio references in both the journal and the General Ledger accounts.

Step 8: Repeat step 7 until all the journals are correctly posted to the General Ledger.

Step 9: Open the Debtors Ledger for each debtor, leaving 6–8 lines for each one.

Step 10: Select the relevant journals that affect the debtors (DJ, DAJ, CRJ). Make a note of all the dates that affect the first Debtor. Enter these transactions in the debtors account in the DL in DATE order. Remember to write the folio references in the debtors account and the journal.

Step 11 Repeat this until all debtors accounts are complete.

Review Copy

Suggested answers

1. d) Complete the subsidiary books one at a time.
   b) Total each subsidiary book.
   c) Post one journal at a time to the General Ledger.
   a) Look at the DJ, DAJ and CRJ and post to the DL in date order.

2–3.

Cash Receipts Journal of Party and Packaging for October 2012 **CRJ1**

Doc no	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Sundry accounts Amt	Fol	Detail
CRT 23	3	Cash		16 503	16 503	16 503	14 350				
CRT 24	5	Cash		18 860		18 860	16 400				
Rec 42		Palisa	DL1	15 200	34 060			15 200			
CRT 25	8	Cash		11 500		11 500	10 000				
Rec 42		Owner		5 000	16 500				5 000		Capital
CRT 26	12	Cash		11 247		11 247	9 780				
Rec 43		Closa	DL3	11 000	22 247			11 000			
CRT 27	24	Cash		13 248	13 248	13 248	11 520				
	25	Cash		9 200		9 200	8 000				
Rec 44		Phelps	DL4	9 000	18 200			9 000			
CRT 28	28	Cash		20 585	20 585	20 585	17 900				
Rec 45	31	Hayden	DL2	5 000				5 000			
CRT 29		Cash		13 110	18 110	13 110	11 400				
					159 453	114 253	99 350	40 200	5 000		

Cash Payments Journal of Party and Packaging for October 2012 **CPJ7**

Doc no	Day	Details	Fol	Bank	Trading stock	Stationery	Wages	Sundry accounts Am	Fol	Details
Ch 42	5	Cash		8 900			8 900			
Ch 43	10	Cash		8 900			8 900			
Ch 44		Pencil Park		1 950		1 950				
Ch 45	12	Trendy Wholesalers		10 000	10 000					
Ch 46	15	Benton Suppliers		7 500	7 500					
Ch 47		Eye Glass Co		1 899				1 899		Drawings
Ch 48	20	Cash		8 900			8 900			
Ch 49	27	Municipality		800				800		Water and lights
Ch 50		Telkom		850				850		Telephone
Ch 51	29	Pencil Park		3 650		3 650				
Ch 52		First Insurance		5 000				5 000		Insurance
Ch 53	30	Trendy Wholesalers		15 000	15 000					
Ch 54		Cash		8 900			8 900			
BS	31	Rabobank		201				201		Bank charges
				82 450	32 500	5 600	35 600	8 750		

Review Copy

Debtors Journal for Party and Packaging for October 2012

Inv. No.	Day	Debtor	Fol	Sales	Cost of sales
81	3	Closa		13 000	8 125
82	5	Palisa		19 600	12 250
83	13	Closa		1 800	1 125
84		Palisa		880	550
85	21	Hayden		9 488	5 930
86	28	Phelps		11 488	7 180
				56 256	35 160

Debtors Allowances Journal for October 2012

C/N No.	Day	Debtor	Fol	Debtors allowances	Cost of sales
25	9	Closa		2 496	1 560
26	19	Palisa		800	500
27	26	Hayden		1 300	–
				4 596	2 060

Review Copy

4.

General Ledger of Party and Packaging

Balance Sheet Section

Capital B1

Dr									Cr
					2012 Oct	1	Balance	b/d	90 000
						31	Bank	CRJ1	5 000

Bank B2

2012 Oct	1	Balance	b/d	3 500	2012 Oct	31	Sundry Acc	CPJ7	82 450
	31	Sundry Acc	CRJ1	159 453					

Drawings B3

2012 Oct	31	Bank	CPJ	1 899					

Trading Stock B4

2012 Oct	1	Balance	b/d	125 600	2012 Oct	31	Cost of sales	CRJ1	99 350
	31	Bank	CPJ7	32 500			Cost of sales	DJ1	35 160
		Cost of sales	DAJ1	2 060					

Debtors Control B5

2012 Oct	1	Balance	b/d	9 000	2012 Oct	31	Bank	CRJ1	40 200
	31	Sales	DJ1	56 256			Debtors Allowances	DAJ1	4 596
							Balance	c/d	20 460
				65 256					65 256
Nov	1	Balance	b/d	20 460					

Nominal Section

Dr **Sales N1** **Cr**

					2012	31	Bank	CRJ1	114 253
							Debtors Control	DJ1	56 256

Cost of sales N2

2012 Oct	31	Trading stock	CRJ1	99 350	2012 Oct	31	Trading stock	DAJ1	2 060
		Trading stock	DJ1	35 160					

Debtors Allowances N3

2012 Oct	31	Cost of sales	DAJ1	4 596					

Stationery N4

2012 Oct	31	Bank	CPJ7	5 600					

Review Copy

Wages N5

2012 Oct	31	Bank	CPJ7	35 600					

Water and Lights N6

2012 Oct	31	Bank	CPJ7	800					

Telephone N7

2012 Oct	31	Bank	CPJ7	850					

Insurance N8

2012 Oct	31	Bank	CPJ7	5 000					

Review Copy

Bank charges N9

2012 Oct	31	Bank	CPJ7	201					

4.

Debtors Ledger of Party and Packaging

Closa D1

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Oct	3	Invoice 81		13 000		13 000
	9	Credit note 25			2 496	10 504
	12	Receipt 44			11 000	(496)
	13	Invoice 83		1 800		1 304

Palisa D2

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Oct	5	Invoice 82		19 600		19 600
	6	Receipt 42			15 200	4 400
	13	Invoice 84		880		5 280
	19	Credit note 26			800	4 480

Hayden D3

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Oct	21	Invoice 85		9 488		9 488
	26	Credit note 27			1 300	8 188
	31	Receipt 46			5 000	3 188

Phelps D4

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Oct	1	Balance	b/d	9 000		9 000
	25	Receipt 45			9 000	0
	28	Invoice 86		11 488		11 488

Review Copy

5.

Debtors list on 31 October 2012

				Debit	Credit
		Closa	D1	1 304	
		Palisa	D2	4 480	
		Hayden	D3	3 188	
		Phelps	D4	11 488	
				20 460	

6. R20 460 is owing to Party and Packaging at the end of the month. This means that Party and Packaging must find money somewhere else to pay for stock to replace what was sold. If there is no replacement stock, there cannot be any

sales. The cash flow of the business will be seriously hampered by this debt. However, this business has R80 503 in the bank, most of which comes from cash sales. Cash sales is still a much bigger part of this business and covers the current debtors that owe money.

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 6 Understand credit sales and credit agreements

Learner's Book page 137

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. The transactions have not been transferred from the journals correctly; ✓ calculations are incorrect; ✓ balances have been written in the debtors list incorrectly. ✓ (Max 2)
2. Send monthly accounts; ✓ telephone debtors after a few days if they have not paid their accounts; ✓ send reminder letters (Max 2)
3. Credit means that goods are given to the customer immediately but they only pay for these at a later date. ✓✓ (2)
4. The NCA affects the business in the following ways:
   The business:
   - may not force people to purchase on credit ✓✓
   - must check that customers can repay credit✓✓
   - must have credit agreements written in simple, easy-to-understand language✓✓
   - must make customers aware of the contents of the credit agreement✓✓
   - must tell customers exactly what additional costs are involved in the credit agreement✓✓
   - may not set its own interest rates✓✓
   - must check customers' income and credit references carefully.✓✓ (Max 8)
5. This is incorrect. The trading stock increases as the goods have been returned. ✓✓ (2)

Total: 18 marks

Review Copy

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

If you do decide to give marks for this activity, the learners must be informed of the mark allocation before they begin the activity.

Core concepts

The learners must understand that allowances and returns give to customers/debtors are entered in the Debtors Allowances account. This is because the cost price of these returns must be added to the trading stock as goods have been put back into the stock.

UNIT 3

Financial literacy: Credit transactions – creditors

Unit overview

Learner's Book pages 160–171

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

In this unit you will cover:

- creditors
- creditors allowances
- the accounting cycle
- recording transactions in the Creditors Journal (CJ)
- recording transactions in the Creditors Allowances Journal (CAJ).

Additional resources: Copy of invoice received from a supplier, debit note and credit note. If you are unable to obtain these, draw them up on cardboard or paper using the example in the Learner's Book.

Review Copy

Teaching guidelines

- The learners must be clear that creditors journals are used for any credit purchase.
- The difference between debtors and creditors journals is that the debtors journal is used only for credit sales of trading stock.
- The Creditors Journal is similar to the Cash Payments Journal.
- The Creditors Allowances does not have a separate account. The original credit purchase is reversed with the allowance.

Before we start

Suggested answers

1. Customer
2. cost price and selling price
3. to keep track of all the transactions affecting individual debtors; to ensure that the Debtors Control account correlates with the total debt owing by the debtors; internal control system.

Activity 1 Understanding creditors and credit purchases

Learner's Book page 138

Guidelines to implement this activity

- This is a pair activity.
- The learners must be given time to discuss their answers. The learners must write their own answers in their exercise books.

Suggested answers

1. Supplier
2. Purchased goods or service on credit from supplier
3. No. There is a difference between the business purchasing on credit and selling on credit. The business owner must be able to check the amount he owes his suppliers as well as how much the customers owe him at any time. This can be done only if these two types of credit entries are treated separately.
4. Use discretion. The timeline must show clearly that the stock is sold and cash is received before the business has to pay for the stock.

Business purchases stock on credit		
20	40	60
days	days	days
Sells stock and receives money		Pays for stock

5. It will improve the business cash flow. The credit amount has to be paid only after the business has already received the money from selling them at a profit. It is as if the business has borrowed the money from the supplier, interest free.

Review Copy

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 2 Complete a CJ for Pravin Stationery Store

Learner's Book page 144

Guidelines to implement this activity

- This is an individual activity.
- The first time the learners enter transactions in the Creditors Journal, you may want to draw up the Creditors Journal on the chalkboard and do the first two entries together with the class.
- Let them complete the activity on their own.

Suggested answers

1. Credit sales take place when a business purchases or sells stock on account. The goods are taken immediately but are paid for only at a future date e.g. at the end of the month.

2–4.

Creditors Journal of Pravin Stationery Store for November 2012 **CJ1**

Inv	Day	Supplier	Fol	Creditors control	Trading stock	Stationery	Sundry accounts		
							Amount	Fol	Details
LW 345	2	Thomas Wholesalers		25 500	25 500				
5560	5	Quick Pens Ltd		26 700	26 700				
S219	17	Shelving Supplies		3 500			3 500		Equipment
LW 430	23	Thomas Wholesalers		10 800	10 800				
1298	30	Coastal Toyota		2 500			2 500		Vehicle repairs
				69 000	63 000	0	6 000		

5. Pravin is pleased as his cost price is now lower and he can charge more, which will increase his profit.

Assessment guidelines

This activity is intended for informal assessment.

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

Review Copy

Activity 3 Complete a CAJ for Pravin Stationery Store

Learner's Book page 146

Guidelines to implement this activity

- This is an individual activity.
- If you have learners who are having difficulty, pair them with other learners who have a clear understanding of the concepts. Allow stronger learners to assist those experiencing difficulty. It is important that the stronger learners do not just give the answers; they must ask questions so that the learners finds the answers themselves.

Suggested answers

1. Shelves were returned that the owner did not need; some notebooks were damaged; a refund was given for the return of packing crates.

2–3.

Creditors Allowances Journal of Pravin Stationery Store for November 2012 CAJ1

D/N	Day	Supplier	Fol	Creditors control	Trading stock	Stationery	Sundry accounts		
							Amount	Fol	Details
34	6	Quick Pens Ltd		600	600				
35	25	Shelving Supplies		200			200		Equipment
36	30	Thomas Wholesalers		60	60				
				860	660		200		

4.1 Quick Pens = R26 700 – R600 = R26 100
Thomas Wholesalers: R25 500 + R10 800 = R36 300 – R60 = R36 240
Shelving Supplies = R3 500 – R200 = R3 300
Coastal Toyota = R2 500
Total: R26 100 + R36 240 + R3 300 + R2 500 = R68 140

4.2 Use discretion with the learners' answers. They must support their opinions with logical reasons.
Sample answers:
I think purchasing on credit is a good idea if the goods can be sold quickly so that money is received before the goods need to be paid for. It gives Pravin an opportunity to keep a good quantity of stock without affecting his cash flow as it would if he had to pay cash for this stock.

Review Copy

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 4 Analyse a CAJ for Best Bicycles CC

Learner's Book pages 146–147

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. A debit note is used when the business sends goods back to the supplier or asks the supplier for a discount or reduction on an invoice that was received.

2.

Creditors Allowances Journal of Best Bicycles for October 2012 **CAJ 5**

D/N	Day	Creditor	Fol	Creditors control	Trading stock	Stationery	Sundry accounts		
							Amount	Fol	Details
15	12	Flicks Bicycle Manufacturers		6 000	6 000				
16	17	Zama Stationers		130		130			
17	30	Costo Motors		140			140		Fuel
				6 270	6 000	130	140		

3. Use discretion with learners' answers as they can vary:
   Sample answers:

12	Best Bicycles returned bicycles that were incorrectly delivered, R6 000 (D/N 15)
17	Damaged stationery was returned to Zama Stationers, R130 (D/N 16)
30	Costo Motors overcharged for fuel, R140 (D/N 18)

   Note:
   12th – Trading stock is returned (reason can vary)
   17th – Stationery is returned (any reason)
   30th – This must be an overcharge or discount not given, as fuel cannot be returned.
4. Invoices received from suppliers have different numbers because each supplier uses a different numbering systems. However, the duplicate debit note is used in the business, and they are in sequence because the business issues them in sequence.

Review Copy

Assessment guidelines

This activity is intended for informal assessment.

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

If you have a large class, you may want to let learners who have completed their activities quickly and correctly check the work of other learners. If they find anything that is incorrect, they must explain why it is incorrect.

Core concepts

The learners must be able to distinguish between recording entries in the debtors and creditors subsidiary books.

It is a good idea – after you have taught Creditors and Creditors Allowances Journals – to do a tabulated comparison between the debtors and creditors, as shown in the table below:

Debtors	Creditors
Customers	Suppliers
Only trading stock is recorded in the Debtors Journal	Any credit purchase is recorded in the Creditors Journal
Only trading stock returned or an allowance on the invoice is recorded in the Debtors Allowances Journal	Any return or allowance on a credit purchase is recorded in the Creditors Allowances Journal
Debtors Journal has only two columns: Debtors Control and Cost of sales	The Creditors Journal has a column for Creditors Control and any other column that the business feels is necessary
Debtors Allowances Journal has only two columns	The Creditors Allowances Journal has a column for Creditors Control and any other column that is used in the Creditors Journal
Debtors returns is posted to a separate Debtors Allowances account in the General Ledger	Debtors Allowances does not have a separate account because the entry is posted to the same accounts as in the Creditors Journal, but on the opposite sides.

You could let the class work in pairs and see which group has found the most differences.

UNIT 4

Entrepreneurship: Functions of a business

Review Copy

Unit overview

Learner's Book pages 148–159

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

In this unit you will cover:

- how large businesses divide their employees into teams and functions
- the functions of administration, purchasing, marketing, finances, public relations, human resources, production, general management and risk management
- the characteristics of these functions
- the role and importance of business functions.

Additional resources: Newspapers or magazines for reference purposes. Any articles you may find on corporate social responsibility initiatives

Background knowledge

If any of your learners have a parent in the corporate world who would be willing to talk briefly to your class, you could invite this person to explain how the functions work together to contribute to business goals in that work environment.

Activity 1 Identify the work of administration

Learner's Book page 150

Guidelines to implement this activity

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

Suggested answers

1. *Functions of a business* describes the division of a business into specialised activity areas. (2)
2. The core functions of a large business are: administration, finance, purchasing, production, marketing public relations, human resources, general management and risk management. (8)
3. Filing, switchboard, messenger service and mailing, reception, petty cash, canteen and beverages. (Any 5) (5)
4. It is a service function ✓ because it supplies services to other functions ✓ such as storing documents, meeting and directing visitors, answering and redirecting telephone calls, messenger and mailing services and hot beverages and canteen services. (2 + any 3) (5)

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 2 Review the marketing and finance functions

Learner's Book page 151

Guidelines to implement this activity

- This is an individual activity.
- Learners record their answers in their exercise books.

Suggested answers

1. Product✓, price✓, place✓, promotion✓ (4)
2. Market research identifies consumer needs✓ and attitudes✓ in relation to any product or service✓ that a business may be contemplating offering.✓ (4)
3. It would influence how the finance function calculates income tax✓ for the business (as part of the owner's income, divided between partners, or as company tax on profit). More detailed and complex financial reports would be necessary if the business is a private or public company.✓ (2)

[10]

Total: 10 marks

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 3 Investigate the public relations function

Learner's Book page 152

Guidelines to implement this activity

- This is an individual activity.
- The learners must create their own mini-posters and record their answers in their workbooks for revision purposes.
- Hold a general class discussion on the articles, or ask learners to discuss them in groups of 5 or 6.
- You may want to discuss one or two of the best articles and posters, or put them up on the class wall as good examples of public relations activities.

Suggested answers

1. Public relations provides a communication link✓ between a business and its public✓; and this function is also responsible for implementing✓ corporate social responsibility initiatives ✓ (4)
2. This is an individual activity and posters will depend on current news reports of social responsibility activities. If learners cannot find anything relevant in the class newspapers and magazines, suggest that they make something up based on a local social need. Allocate marks on the basis of:
   - appropriate choice of topic (is it, or could it be, a CSI initiative?) ✓
   - heading identifying the business actions✓✓
   - suitable illustrations. ✓✓✓✓✓ (Max 8)
3. Yes/no.✓ Reasons ✓✓✓ (4)
4. Yes/no. ✓ Logical reasons for answer✓✓✓ (4)
5. Informal discussion (no marks to be given)

Total: 20 marks

Review Copy

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 4 Examine HR and production

Learner's Book page 153

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. Assesses labour needs,✓ develops job descriptions, recruits employees,✓ arranges staff training,✓ handles payment of wages and salaries,✓ handles employment benefit arrangements,✓ negotiates with trade unions,✓ liaises with general management on staff issues,✓ is responsible for grievance procedures,✓ disciplinary action✓ and dismissals.✓(Any 4) (4)
2. Answers depend on learners' choices of HR activities in the previous questions. Essentially HR activities relate to getting the best-qualified person into a particular job, making sure that person is given any training necessary, and keeping him or her happy and productive by ensuring that the policies and procedures of the business are followed with regard to payment of wages and salaries, access to benefits, and so on. (4 × 2) (8)
3. The production function produces or manufactures goods. ✓ (1)
4. He is probably a carpenter✓ and saws and chisels wood to produce chairs, tables, cabinets, headboards, and so on.✓ (Any 2) (2)

Total: 15 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 to prepare them for formal assessment.

Review Copy

Activity 5 Review functional activities

Learner's Book page 154

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. Marketing✓✓ and public relations ✓✓ (4)
2. Finance ✓✓ (2)
3. The production function could make something that is faulty and could cause harm to workers or consumers;✓ if equipment and machinery is not checked and maintained regularly it could cause injury to workers or electrical overloads resulting in a factory fire;✓✓ it could become inefficient and wasteful so that products cost more than originally calculated, creating losses for the business;✓✓ any other possible situation a learner may suggest. (Any 2 × 2) (4)
4. Musa✓ in general management;✓ Trevor✓ in finance;✓ Lizna✓ in marketing;✓ Lindiwe✓ in HR;✓ Jacob✓ in production✓ (10)

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 6

Examine the relationship between general management and other functions

Learner's Book page 157

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. General management is responsible for overseeing✓ the operations of the business, planning, organising, leading and controlling the activities of other functions✓ in broad outline. It represents the top management level of a business.✓ (Any 2) (2)
2. General management needs information on various things in order to make strategic decisions for the future activities of the business:
   - the finances of the business
   - market research results and marketing function recommendations regarding product lines and pricing ✓
   - public relations recommendations regarding the public image of the business ✓
   - possible risks facing the business and how these should be addressed.✓ (4)
3. By negotiating lower input costs (purchasing);✓✓ and by producing efficiently so that there is no, or a minimum of, wastage of materials ✓✓ while continuing to produce quality goods (production). (4)

Total: 10 marks

Review Copy

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

Activity 7 Apply your understanding of functions to a business scenario

Learner's Book page 158

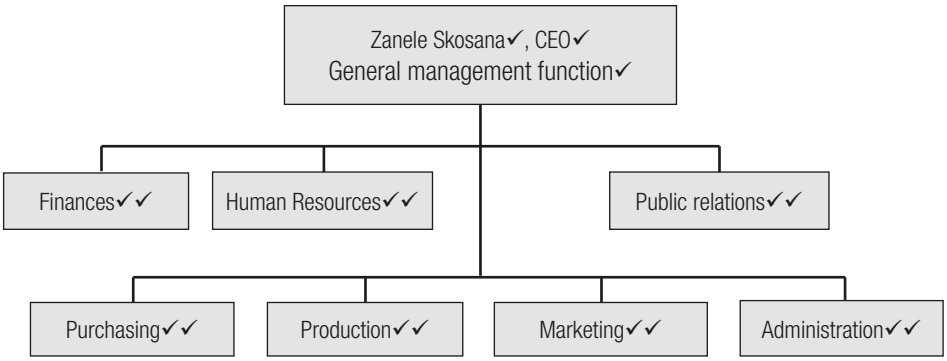
Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. General management✓; marketing✓; public relations✓, human resources✓; administration✓; purchasing✓; production✓ and finance✓ (8)
2.

Organisation chart showing the ABC Clothing functions



(20)

3. Risk management (2)
4. Working parents✓ with young children✓ at home. This consumer market can afford✓ to spend money on good quality children's clothing. Grandparents might be a significant portion of the target market. ✓ (4)
5. Public relations;✓✓ the company makes clothes for children✓ so this is a good PR focus;✓ early childcare is a critical developmental stage in young children,✓ and targeting this area is a good social investment strategy for ABC Clothing.✓ (6)

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

Core concepts

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

UNIT 5

Financial literacy: Credit transactions – creditors

Unit overview

Learner's Book pages 160–171

Recommended pacing: 40 minutes × 6 lessons = 3 hours

In this unit you will cover:

- recording payments to creditors using the CPJ
- posting from the Creditors Journal, Creditors Allowances Journal and Cash Payments Journal to the General Ledger and Creditors Ledger
- identifying the effect of credit purchases on the accounting equation.

Review Copy

Teaching guidelines

- The learners should be made aware that posting from the Creditors Journal is almost the same as posting from the Cash Payments Journal. The only difference is that The Creditors Control account in the General Ledger is credited instead of the Bank account.

Before we start

Suggested answers

1. Credit can mean the credit side of an account or trial balance or that goods have been purchased or sold on account. The goods are taken or received immediately but are paid for only at a later date
2. Creditors Journal
3. Goods are returned to suppliers for a variety of reasons or a discount or reduction in the purchase price is requested from the supplier.
4. Assets + = Liabilities + = OE 0 (for trading stock or assets that are purchased on credit)
   Asset 0 = Liabilities +; OE – (when expenses are paid or purchased on credit, for example, stationery)

Activity 1 Draw up the CPJ for Pravin Stationery Store

Learner's Book page 161

Guidelines to implement this activity

- This is an individual activity.

Background knowledge

The learners have drawn up a Cash Payments Journal for service businesses in Grade 8 and for trading businesses earlier in the year. The only difference is that a new column is added – Creditors control. Everything else in the Cash Payments Journal stays the same.

Suggested answers

1. Businesses can pay their creditors using a cheque or by EFT.

2–4.

Cash Payments Journal of Pravin Stationery Store for November 2012

Doc No	Day	Detail	Fol	Bank	Creditors control	Trading Stock	Wages	Sundry accounts		
								Amount	Fol	Details
C 201	3	Cash		4 500			4 500			
C 202	5	Quantum		267		267				
EFT 10	6	Municipality		590				590		Electricity and Water
EFT 11	12	Blocks Property		6 900				6 900		Rent
C 204	15	Cash		5 000			4 500	500		Fuel
EFT 12	20	Thomas Wholesalers		25 500	25 500					
EFT 13	30	Thomas Wholesalers		5 000	5 000					
		Quick Pens Ltd		18 000	18 000					
		Shelving Supplies		3 300	3 300					
				69 057	51 800	267	9 000	7 990		

Review Copy

5. Pravin should try to settle his account early. Pravin paid Thomas Wholesalers R30 500 during the month. He would have saved R610 with 2% discount. This means that his profit would have increased by R610 without any effort.

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 2

Post to the General Ledger and CL of Pravin Stationery Store

Learner's Book page 167

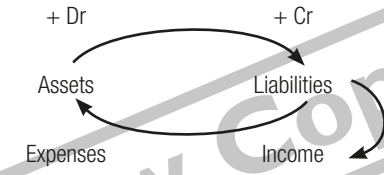
Guidelines to implement this activity

- This is a pair activity.
- Allow learners to discuss their answers. Learners must write their own answers in their exercise books.
- Remind the learners that creditors are a liability and therefore they have credit balances.
- If some of your learners are still having difficulty with posting to the General Ledger correctly, draw the following diagram on cardboard and put it up on the classroom wall.

DAX	=	CIL
Debtors, Assets, Expenses		Creditors, Income, Liabilities
Increase Dr side		Increase Cr side

OR

Some learners may find this next one easier to remember:



Review Copy

Suggested answers

1. Trade discount is a discount given for bulk purchases or to a loyal customer. It is indicated only on the invoice and is not recorded anywhere in the financial records of the business.

2 and 4.

General Ledger of Pravin Stationery Store

Balance Sheet Accounts Section

Creditors Control B1

2012 Nov	30	Bank	CPJ1	51 800	2012 Nov	30	Sundry Accounts	CJ1	69 000
	30	Sundry accounts	CAJ1	860					

Trading Stock B2

2012 Nov	30	Bank	CPJ1	267	2012 Nov	30	Creditors Control	CAJ1	660
		Creditors Control	CJ1	63 000					

Equipment B3

2012 Nov	30	Creditors Control	CJ1	3 500	2012 Nov	30	Creditors control	CAJ1	200

Nominal Accounts Section

Vehicle Repairs N1

2012 Nov	30	Creditors Control	CJ1	2 500					

3–4.

Creditors Ledger of Pravin Stationery Store

Thomas Wholesalers C1

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Nov	2	Invoice LW 345	CJ1		25 500	25 500
	20	EFT 12	CPJ1	25 500		0
	23	Invoice LW 430	CJ1		10 800	10 800
	30	Debit note 36	CAJ1	60		10 740
		EFT 13	CPJ1	5 000		5 740

Review Copy

Quick Pens Ltd C2

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Nov	5	Invoice 5560	CJ1		26 700	26 700
	6	Debit note 34	CAJ1	600		26 100
	30	EFT 14	CPJ1	18 000		8 100

Shelving Supplies C3

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Nov	17	Invoice S219	CJ1		3 500	3 500
	25	Debit note 35	CAJ1	200		3 300
	30	EFT 15	CPJ1	3 300		0

Coastal Toyota C4

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Nov	30	Invoice I298	CJ1		2 500	2 500

4.

Creditors list of Pravin Stationery Stores on 30 November 2012

Thomas Wholesalers	C1	5 740	
Quick Pens Ltd	C2	8 100	
Shelving Supplies	C3	0	
Coastal Toyota	C4	2 500	
		16 340	

Review Copy

5. Use discretion with the learners' answers. They must support their answers with good reasons.
   Suggested answers:
   - Have different employees working with the General Ledger and creditors ledger.
   - Do not allow the same person to work with cash payments and the creditors ledger.
   - There must be two signatures on cheques or to access Internet banking.
   - The owner needs to check the creditors and decide how much will be paid to each creditor at the end of the month. In that way the owner will become familiar with the creditors in the business.

Assessment guidelines

This activity is intended for informal assessment.

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

Activity 3 Complete the CJ, CAJ, CPJ and posting to ledgers

Learner's Book pages 168–169

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1.1 invoice ✓ (1)
1.2 debit note✓ (1)
1.3 cheque or EFT✓ (1)
[3]

2–4.

Creditors Journal of Fresh Markets for April 2012 **CJ1**

Inv	Day	Supplier	Fol	Creditors control	Trading stock	Stationery	Sundry accounts		
							Amount	Fol	Details
4590	9	F & V City	CL1	12 500	12 500				
M490	15	Market Place CC	CL2	8 600		800	7 800	B5	Equipment
V562	20	Patel Services	CL4	250			250	N2	Repairs
4620	29	F & V City	CL1	15 600	15 600				
S569	30	Star Stationers	CL3	3 920		3 920			
				40 870	28100	4 720	8 050		
				B2	B4	N1			
		(3)		(6)	(3)	(3)	(3)		(2)

[20]

Review Copy

Creditors Allowances Journal of Fresh Markets for April 2012 **CAJ1**

D/N	Day	Supplier	Fol	Creditors control	Trading stock	Stationery	Sundry accounts		
							Amount	Fol	Details
D45	10	F & V City	CL1	40	40				
D46	17	Market Place CC	CL2	150	150				
D47	25	Patel Services	CL4	50			50	N2	Repairs
				240	190		50		
				B2	B4				
		(3 ÷ 2) 1½		(4)	(3)		(2)		(1)

[10½]

Cash Payments Journal of Fresh Markets for April 2012 **CPJ1**

Doc No	D	Details	F	Bank	Creditors Control	Trading Stock	Wages	Sundry accounts		
								Amt	F	Details
C128	5	Market Place CC	CL2	13 300		13 300				
C129	6	Cash		10 000			10 000			
EFT1	12	F & V City	CL1	15 244	15 244					
C130		Fuel		960				960	N4	Fuel
C131	14	Cash		10 000			10 000			
EFT2	19	Velocity Ltd		9 000		9 000				
EFT3	25	Telkom		2 500				2 500	N5	Telephone
C132	30	Market Place CC	CL2	8 450	8 450					
C133		Cash		5 000			10 000			
				74 454	23 694	22 300	30 000	3 460		
				B2	B3	B4	N3			
		(9 ÷ 2) 4½		(10)	(3)	(3)	(4)	(3)		(2)

[29½]

5.

Review Copy

General Ledger of Fresh Markets

Balance Sheet Accounts Section

Dr **Capital B2** **Cr**

					2012 Apr	1	Balance	b/d	✓120 000

(1)

Bank B2

2012 Apr	1	Balance	b/d	✓130 000	2012 Apr	30	Sundry ✓Accounts	CPJ1	✓74 454
							Balance	c/d	55 546
				✓130 000					130 000
May	1	Balance	c/d	✓55 546					

(5)

Creditors Control B3

2012 Apr	30	Sundry Accounts✓	CAJ	✓240	2012 Apr	1	Balance	b/d	✓32 380
		Creditors control✓	CPJ1	✓36 994		30	Sundry ✓Accounts	CJ1	✓40 870
		Balance	c/d	36 016					
				✓73 250					73 250
					May	1	Balance	b/d	✓36 016

(9)

Trading Stock B4

2012 Apr	30	Creditors ✓control	CJ1	✓28 100	2012 Apr	30	Creditors control✓	CAJ1	✓40
		Creditors control✓	CPJ1	✓22 300			Balance	c/d	50 360
				✓50 400					50 400
May	1	Balance	c/d	✓50 360					

(8)

Equipment B5

2012 Apr	30	Creditors control✓	CJ1	✓7 800					

(2)

Review Copy

Nominal Accounts Section

Stationery N1

2012 Apr	30	Creditors ✓control	CJ1	✓4 720					

(2)

Repairs N2

2012 Apr	30	Creditors control✓	CJ1	✓250	2012 Apr	30	Creditors control✓	CAJ1	✓50
							Total✓	c/f	200
				✓250					250
May	1	Total	b/f	✓200					

(7)

Wages N3

2012 Apr	30	Bank✓	CPJ1	✓30 000					

(2)

Fuel N4

2012 Apr	30	Bank✓	CPJ1	✓960					

(2)

Telephone N5

2012 Apr	30	Bank✓	CPJ1	✓2 500					

(2)
[40]

5.

Creditors Ledger of Fresh Markets

F & V City CL1

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Apr	1	Balance✓	b/d		✓16 480	16 480
	9	Invoice 4590✓	CJ1		✓12 500	✓28 980
	10	Debit note 45✓	CAJ1	✓40		✓28 940
	12	EFT 1✓	CPJ1	✓15 244		✓13 696
	29	Invoice 4620✓	CJ1		✓15 600	✓29 296

(14)

Review Copy

Market Place CC CL2

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Apr	1	Balance✓	b/d		✓13 300	13 300
	5	Cheque 128✓	CPJ1	✓13 300		✓0
	15	Invoice M490✓	CJ1		✓8 600	✓8 600
	17	Debit note 46✓	CAJ1	✓150		✓8 450
	30	Cheque 132✓	CPJ1	✓8 450		✓0

(14)

Star Stationers CL3

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Apr	1	Balance✓	b/d		✓2 600	2 600
	30	Invoice S569✓	CJ1		✓3 920	✓6 520

(5)

Patel Services CL4

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Apr	20	Invoice V562✓	CJ1		✓250	250
	25	Debit note 47✓	CAJ1	✓50		✓200

(5)
[38]

Review Copy

6.

Creditors list on 30 April 2012

F & V City✓	CL1	✓29 296	
Market Place CC✓	CL2	✓0	
Star Stationers✓	CL3	✓6 520	
Patel Services✓	CL4	✓200	
		✓36 016	

(9)

7. (Max 10 for folio references)

Total: 150 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 150 and give them feedback on their performance to prepare them for formal assessment.

If you decide to mark the learners' work, the learners must be informed of the mark allocation before they begin the activity.

Activity 4 Understand credit

Learner's Book page 170

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. Credit means that goods are purchased or sold on account. ✓✓ The goods are taken or received immediately, but payment is only made at a later date. ✓✓ (4)
2. The goods are received immediately but payment is made only later. ✓✓This means that the goods can be sold and cash received before the goods sold have to be paid for. ✓✓ (4)
3.

Transaction	Account debited	Account credited	A	L	OE
Cheques issued to suppliers	• Creditors control • Creditors individual account	Bank	–	–	0
Credit purchases of: Trading stock	Trading stock	• Creditors control • Individual creditors account	+	+	0
Stationery	Stationery	• Creditors control • Individual creditors account	0	+	+
Equipment	Equipment	• Creditors control • Individual creditors account	+	+	0
Refund from supplier for discount not included in invoice	• Creditors control • Individual creditors account	Trading stock	–	–	0
Incorrect goods returned to supplier	• Creditors control • Individual creditors account	Trading stock	–	–	0
	(9)	(9)	(6)	(6)	(6)

(36)

Review Copy

4.

General Ledger of Jemma Jackson

Creditors Control B1

2012 June	30	Sundry Accounts✓	CAJ✓	✓16 520	2012 June	1	Balance	b/d	✓30 000
		Creditors control✓	CPJ1✓	✓120 000		30	Sundry Accounts✓	CJ1✓	✓150 620
		Balance ✓	c/d✓	44 100					
				180 620					180 620
					July✓	1	Balance✓		44 100

(14)

5. Use discretion with learners' answers. They must give their opinion and support this with logical reasoning. (Max 6)

[56]

Total: 64 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 64 and give them feedback on their performance to prepare them for formal assessment.

If you decide to allocate marks to this activity, you must inform the learners of the mark allocation before they begin the activity.

Review Copy

Core concepts

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

Term 3 Assessment: Project

Researching trade unions

Teacher's Guide page 221

Guidelines to implement this activity

- This is an individual activity.
- Be sure to provide the rubric on page 165 of this Teacher's Guide to the learners so that they understand how they will be assessed.
- The learners are required to prepare a written report and give a short oral presentation on a specific trade union in South Africa, taking the following points into account:
  - the name of and abbreviation for the trade union
  - the history and development of the trade union in South Africa
  - who the union represents, how many members it has and who its leaders are.

The learners also need to find out about recent negotiations or strike action that the union has been involved in. Encourage them to use newspaper articles, television and radio reports, the library or the Internet, or to speak to people in their community who are trade union members in order to get information. If they know anybody who has participated in a strike, they could interview that person as if they were newspaper reporters.

Ensure that the learners are aware of the assessment criteria before they start, and that the project is worth 50 marks and forms part of their formal assessment for the year. Read carefully through the criteria under the assessment guidelines below with the learners and ensure that they understand what is expected of them. Remind them that they must check the criteria themselves in order to be sure that they have completed everything.

Review Copy

Background knowledge

The suggestions under the guidelines for sources of information will provide a great deal of background knowledge on this topic.

Suggested answers

There are no set answers to this activity. The various points mentioned in the guidelines above should be followed, and the learners should be encouraged to do as much practical research as possible. They must be sure to go through the assessment criteria regularly in order to be certain that they have covered all aspects thoroughly.

Assessment guidelines

This activity is intended for formal assessment.

Discuss the assessment criteria on the next page with the learners and ensure that they understand what is expected of them.

Use the marking rubric to assess learners. Record the marks for formal assessment.

Criteria	Excellent	Good	Average	Needs help
Presentation of written report **10 marks**	Visually very attractive with excellent use of sub-headings, pictures and diagrams 8–10	Well presented with good use of sub-headings, pictures and diagrams 6–7	Some use of sub-headings, pictures and diagrams 4–5	Poor presentation with little or no use of sub-headings, pictures and diagrams 0–3
Content of report **30 marks**	Exceptional detail. Accurate, appropriate and interesting to read. Has addressed all the points in the outline 24–30	Good detail. Accurate and appropriate. Has addressed most the points in the outline 18–23	Most of the detail is accurate and appropriate Has addressed some of the points in the outline 12–17	Not enough detail. Has not addressed most the points in the outline 0–11
Oral presentation **10 marks**	Spoke clearly and made topic very interesting. Made excellent use of visual aids 8–10	Spoke clearly and made topic interesting. Made good use of visual aids 6–7	Did not always speak clearly. Made some use of visual aids 4–5	Spoke poorly; did not make topic interesting. Made no use of visual aids 0–3
			Total marks	**50**

Review Copy

Term 3 Assessment: Exemplar controlled test memorandum

Section A

1.1 B✓✓– the importance of cost price and selling price when selling on credit
1.2 C✓✓– filing, answering the telephone, typing, computer programs and storing records
1.3 D✓✓ – Asset – Liability – OE 0
1.4 A✓✓ – the image of the business
1.5 A✓✓ – shop stewards (10)

2.1 H ✓✓ – Sell trading stock on credit
2.2 J ✓✓ – Purchase trading stock on credit
2.3 F ✓✓– One person or a small group of people negotiate on behalf of all trade union members
2.4 B ✓✓ – People to whom the business owes money
2.5 I ✓✓ – Goods returned and refunds or discounts that were not included on the invoice
2.6 G ✓✓ – People who owe the business money
2.7 E ✓✓– An account that records refunds and allowances given to customer
2.8 D ✓✓ – Managing the assets and liabilities of the business
2.9 A ✓✓ – Managing health and welfare of employees
2.10 C ✓✓ – Making people unemployed by ending their work contracts (20)

3.1 False✓✓
3.2 False✓✓
3.3 True✓✓
3.4 False✓✓
3.5 False✓✓ (10)

Section A total: 40 marks

Review Copy

Section B: The Economy

4.1 Raw materials used in the production process and unfinished products may spoil while the strike is on.✓✓ They will have to be thrown away.
Buyers may go to other businesses to find products because they cannot wait until the strike is over and production continues. ✓✓
It can also cause losses for employees because:
- they will lose their pay for the time that they are off work. This is called the no work, no pay principle✓✓
- if the strikers are dismissed they will lose their income altogether.✓✓ (8)

4.2 For growth to be sustainable it must be continuous and carry on year after year✓✓ in order to create new jobs every year for the growing population✓✓.
At the same time it should not have any bad effects on the environment and the communities. ✓✓

Large trade unions can put a lot of pressure on the government to spend money on projects and services that will bring growth and development. ✓✓ For example, spending more money on improving infrastructure will create many new jobs✓✓ and help the development of transport and communication networks which are necessary for growth. ✓✓
They can urge the government to increase spending on skills training of workers. ✓✓ For example, the government introduced a system called Skills Education and Training Authorities (SETAs) which assist with training workers in a variety of industries. ✓✓
They ensure that workers are paid fair wages for their work and this improves productivity in the workplace, which adds to growth. ✓✓
Through negotiations they can settle disputes in an orderly manner with employers. This reduces disruptions to work that would occur if workers were all negotiating as individuals. ✓✓ (12)

Section B total: 20 marks

Section C: Entrepreneurship

5.1 Administration, general management, finance, marketing, production, personnel, public relations, purchasing (4 × 1) (4)

5.2 Use discretion with learners' answers. They must give their opinion. However, it must be supported by logical, valid reasons that are applicable to Blue Print Clothing.
Sample answer:
Gerald is creative and does the designing so he could be responsible for production and purchasing. ✓✓ It is possible for Wendy to be in charge of administration. ✓✓ Majola needs to be responsible for general management, finance and marketing. ✓✓ Majola will have Suzie and James to assist him with the bookkeeping. ✓✓ This will leave him free to focus on the vision of the business and how it can achieve its goals. ✓ The sales staff will also fall under his control. ✓✓ He can appoint one of the sales people as the sales manager who will report to him. ✓✓
It does seem that Majola has too much responsibility, but he has staff under him who can assist him. ✓✓ Gerald is creative and will probably not be good at structure and order. ✓✓ (Max 16)

Section C Total : 20 marks

Review Copy

Section D: Financial Literacy

6.1

General Ledger of Blue Print Clothing

(a)

Dr **Trading stock B3** **Cr**

2012 March	1	Balance	b/d	5 000			Cost of sales✓	CRJ	✓39 230
		Bank✓	CPJ	✓21 150			Creditors Con. ✓	CAJ	✓5 600
		Creditors Con✓	CJ	✓65 400					

(8)

Creditors Control B4

		Bank✓	CPJ	✓48 000	2012 March	1	Balance	(d)	14 600
		Sundry Ac✓	CAJ	✓5 830			Sundry Ac✓	CJ	✓84 400

(6)

(b)

Stationery

2012 March	1	Total	b/f	5 690			Creditors ✓	CAJ	✓230
		Creditors✓	CJ	✓3 240					

(4)

(a) Balance Sheet Accounts Section ✓ (1)
(b) Nominal Accounts Section✓ (1)

Section D total: 20 marks
Total: 100 marks

Review Copy

Term 4 Financial literacy and Entrepreneurship

Term overview

In this term the learners will revise all the subsidiary journals they have learnt as well as all the ledgers. This means that they will learn to do activities that combine all these journals and ledgers, and finish with a trial balance. It is an exciting stage, as the individual bits and pieces all come together to complete the picture.

Business plans are the focus of the unit on Entrepreneurship. This section specifically focuses on the format and contents of a business plan, so that learners will gain a clear understanding of what is involved.

Resources

Learner's Book, pages 172–212
Learners' own exercise books

Review Copy

Content coverage

UNIT	CONTENT	PACING (TIME ALLOCATION)	LB PAGES	TG PAGE
1	Financial literacy: Transactions – cash and credit	6 hours	177–188	172
2	Entrepreneurship: Business plan	6 hours	189–199	198

Assessment

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

ACTIVITY				ASSESSMENT	
Type of activity	Activity	LB pages	TG page	Assessment tool	TG page
Final Examination	Term 4 Exemplar final examination	208–212	202	Memorandum	203

Term 4

Term 3 Revision Memorandum

Learner's Book page 174–175

The Economy

Suggested answers to revision questions

1. wages,✓✓ working conditions✓✓ (4)
2. policies affecting workers, such as minimum wages,✓✓ retirement age,✓✓ minimum working hours per week✓✓ (6)
3. if wage demands are too high, the business loses profits andbattles to pay increased wages✓✓ (4)
4. A wildcat strike is a strike which does not have the backing of a trade union. Workers voice their own opinions. It can cause losses for workers, who do not get paid and can also be dismissed. Businesses lose income when work stops. Property can be damaged and people hurt if the strike turns violent. Learners will mention their own examples. An example is the Lonmin miners' strike in 2012.

Financial literacy

Review Copy

Suggested answers to revision questions

1. Trading stock, equipment, furniture, vehicles, stationery, consumable stores (any 5)
2. 2.1 invoice✓
   2.2 debit note✓
   2.3 credit note✓
   2.4 the movement of goods✓ (4)
3. Credit sales means that the business allows a customer to purchase goods and take them immediately.✓✓
   - The customer pays for the goods only at the end of the month. ✓✓
   - If customers pay their accounts early, they may be given a discount. ✓✓ (Max 4)
4. The Debtors Journal is used only when trading stock is sold on credit. ✓✓
   - The Creditors Journal is used for purchasing any goods or services on credit. ✓✓
   - The business only sells stock but they purchase a variety of goods and services. ✓✓

(6)
[12]

Entrepreneurship

1. General management is a top level✓✓ management function✓✓ concerned with the overall running of the business✓✓. (6)
2. Administration is responsible for recording and organising information✓✓ that is important to the business and looks after activities such as mailing, reception, switchboard operations and canteen facilities✓✓. (4)
   Purchasing is responsible for identifying the best suppliers, negotiating the best

prices and delivery times✓✓, ordering and receiving goods needed by the business, as well as stock storage and control✓✓. (4)

Marketing is responsible for market research to keep up to date with consumer needs, advising on product/services ranges and price✓✓, distributing goods, advertising and sales promotion✓✓. (4)

Finances records, reports and controls✓✓ all the financial activities and records of the business✓✓. (4)

- Public relations looks after the internal and external public image of the business and creates a favourable link between the business and its environment✓✓ by explaining the vision, mission, programmes and operations of the business to the public✓✓. (4)
- Human resources is responsible for the labour matters in the organisation✓✓ and looks after recruitment, training, salaries and benefits, trade union interaction, disciplinary and grievance procedures for the business✓✓. (4)
- Production is the manufacturing function of the business✓✓ by transforming inputs from the environment into outputs offered by the business to consumers✓✓. (4)
- General management is concerned with the environment in which the business operates✓✓, including: the activities of the competition, changing business legislation, new technologies and changing consumer needs✓✓. (4)
- Risk management identifies and assesses the possibilities of risk linked to things like natural disasters, financial investments, credit risk, accidents in the workplace, legal liabilities and project failure✓✓; and develops plans to minimise or eliminate the impact of the risk✓✓. (4) (36)

3. The finance function is important in any business because it records and reports on the financial records ✓✓ is responsible for controlling the cash flow✓✓ of the business, and has an important advisory function for general management✓✓. (6)
4. Both the marketing function and public relations are responsible for building the corporate brand✓✓ of the business by conducting market research into consumer needs, attitudes and opinions✓✓; promoting the business through accurate and appropriate advertising✓✓; and interpreting the vision, mission and activities of the business in terms of consumer needs and perceptions✓✓. (8)

[56]

Review Copy

Before we start

Suggested answers

1. Assets + expenses + drawings = Liabilities + Capital + income
   Assets = Liabilities + owners equity (capital – drawings + income – expenses)
2. Cost of sales is another term for cost price of the goods sold. It is used to keep control of the stock in the store. At any stage, the cost price value of the physical stock should be the same as the balance in the trading stock account in the General Ledger. It is also used to calculate gross profit (sales – cost of sales).
3. The triple-entry system means that the transaction is entered twice in the General Ledger and a third time in the individual debtor or creditors account in the debtor or creditors ledger. It is used to maintain control over individual debtors accounts and also to control the amount of credit the business owes suppliers.

UNIT

1 Financial literacy: Transactions – cash and credit

Unit overview

Learner's Book pages 177–188

Recommended pacing: 40 minutes × 9 lessons = 6 hours

In this unit you will cover:

- entering transactions in all the subsidiary journals and ledgers and drawing up a trial balance at the end
- revision of the way in which all the cash and credit transactions affect the accounting equation.

Additional resources: All the cardboard flash cards you have made during the year. Place all of them on the classroom walls so that the learners have a constant reminder of the concepts they have learnt and now need to apply.

Review Copy

Teaching guidelines

- This section has the potential to be really exciting as the learners see all their bits and pieces of knowledge come together to form a complete picture of how books are prepared and kept up to date in a real business. However, if the steps on how to do this are not logical and clear, it could also be very confusing for some learners.
- It is VERY important that you build up the learners' confidence that they know their work and understand it, and that they are capable of applying it to any situation. This unit prepares them for the examination at the end of the term.
- Take time to work though each step with the learners.

Activity 1 Analyse the transactions for Dududu Supply Store

Learner's Book pages 178–179

Guidelines to implement this activity

- This is an individual activity.
- It is important throughout this unit that the learners work on their own. Every activity is preparation for the examination. It also makes sure that they have understood all their work and can apply it to different scenarios and types of questions.

Suggested answers

1. Supplier
2. Trade discount is given to loyal customers or for bulk purchases or sales. It has no effect on the accounting equation as it is deducted on the invoice. Only the net sales amount is recorded in the financial records.

3. Completion of table (mark-up of 25%):

No	Source document	Subsidiary journal	Account debited	Account credited	Amount
3.1	Duplicate deposit slip	CRJ	Bank	Capital	R25 000
3.2	Cheque counterfoil	CPJ	Wages	Bank	R20 000
3.3	Cash register tape	CRJ	Bank Cost of sales	Sales Trading stock	R12 600 R10 080
3.4	Invoice	CJ	Trading stock	Creditors Control	R5 780
3.5	Cheque counterfoil	CPJ	Electricity	Bank	R2 500
3.6	Invoice	DJ	Debtors Control Cost of sales	Sales Trading stock	R3 600 R2 880
3.7	Debit note	CAJ	Debtors Allowances Trading stock	Debtors Control Cost of sales	R279 R223.20
3.8	Invoice	CJ	Trading stock	Creditors Control	R8 900
3.9	Invoice	CJ	Stationery	Creditors Control	R1 300
3.10	Cheque counterfoil	CPJ	Telephone Drawings	Bank	R680 R620
3.11	Credit note	DAJ	Debtors Allowances	Debtors Control	R108
	(10)	(10)	(15)	(14)	(15)

(64)

4. Discount is not recorded in the journals as it does not affect the accounting transactions. It is recorded only on the source document – the invoice. ✓✓ The net result of the purchase is the actual cost price paid for the goods. ✓✓ The business is interested only in the actual cost price paid. ✓✓ (Max 4)

Total: 68 marks

Review Copy

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

It is not necessary to apply marks to every activity in this unit. However, the suggested mark allocation has been supplied for those learners who would like to test themselves and check the marks they would have obtained.

Activity 2 Complete the subsidiary books for Denzel Stationery Store

Learner's Book pages 179–182

Guidelines to implement this activity

- This is an individual activity.
- Learners must do this activity on their own to check that they can apply logical steps in completing this activity.
- Allow the learners time to draw up the headings for the journals or let them prepare these at home.

Suggested answers

1. Bank overdraft is a current liability. It means that the bank allows the business to withdraw more than they have in their cheque account. They charge the business interest on the amount withdrawn for the number of days it is overdrawn. It is used for short-term finance.

2–4.

Cash Receipts Journal of Denzel Stationery Store for July 2012

Doc	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Sundry Accounts		
									Amt	Fol	Details
Ju1	3	Cash		9 789		9 789	7 530				
Rec 109		Senekal School		5 000	14 789			5 000			
Ju2	6	Cash		12 441	12 441	12 441	9 570				
Ju3	13	Cash		24 596	24 596	24 596	18 920				
Ju4	15	Cash		5 798	5 798	5 798	4 460				
Ju5	25	Cash		13 455	13 455	13 455	10 350				
Ju6	29	Cash		23 673	23 673	23 673	18 210				
Rec 110	30	Moosa Attorneys		19 006				19 006			
Rec 111		B & B Builders		7 890				7 890			
Rec 112		Aveek College		8 905	35 801			8 905			
BS 48		Rabobank			63				63		Interest income
					130 616	89 752	69 040	40 801	63		

Review Copy

Cash Payments Journal for Denzel Stationery for July 2012

Doc	Day	Details	Fol	Bank	Creditors control	Trading stock	Salaries	Sundry accounts		
								Amt	Fol	Details
235	2	Zabo Wholesalers		12 000	12 000					
236		Eskom		1 790				1 790		Electricity
237		Abert Insurance		1 340				1 340		Insurance
238	10	Zanadu		3 690	3 690					
239	25	Salaries		26 890			26 890			
240		Zabo Wholesalers		25 000	25 000					
241		Coastal Petrol		1 890	1 890					
242		Thambo Fitting Specialists		6 500	6 500					
243		Zanadu		4 900	4 900					
244	30	Pepton Properties		12 000				12 000		Rent
BS	30	Robobank		254				254		Bank charges
				96 254	53 980		26 890	15 384		

Review Copy

Creditors Journal for Denzel Stationery for July 2012

Doc	D	Details	Fol	Creditors control	Trading stock	Statio-nery	Sundry Accounts		
							Amt	Fol	Details
	2	Zabo Wholesalers		14 500	14 500				
I645	5	Coastal Petrol		980			980		Petrol
Z356	10	Zabo Wholesalers		15 300	13 850	1 450			
I667	14	Coastal Petrol		910			910		Petrol
Z376	19	Zabo Wholesalers		16 340	16 340				
789	21	Thambo Fitting Specialists		3 460			3 460		Fittings and furniture
E45	25	Zanadu		4 900	4 900				
				56 390	49 590	1 450	5 350		

Creditors Allowances Journal for Denzel Stationery for July 2012

D/N	Day	Details	Fol	Creditors control	Trading stock	Stationery	Sundry accounts		
							Amt	Fol	Detail
D56	7	Zabo Wholesalers		435	435				
D57	15	Zabo Wholesalers		459	459				
D58	23	Thambo Fitting Specialists		650			650		Fittings and furniture
D59	30	Zabo Wholesalers		500	500				
				2 044	1 394		650		

Debtors Journal for Denzel Stationers for July 2012

Inv	Day	Debtor	Fol	Sales	Cost of sales
765	2	Senekal School		7 800	6 000
766	5	Moosa Attorneys		12 350	9 500
767	6	B & B Builders		6 955	5 350
768	17	Aveek College		8 996	6 920
769	23	Moosa Attorneys		6 656	5 120
770	26	B & B Builders		5 993	4 610
				48 750	37 500

Review Copy

Debtors Allowances Journal for Denzel Stationers for July 2012

C/N	Day	Debtor	Fol	Debtors allowances	Cost of sales
A34	5	Senekal School		598	460
A35	10	B & B Builders		689	530
A36	20	Aveek College		91	70
A37	29	B & B Builders		299	230
				1 677	1 290

5. Use discretion with learners' answers. They must give their opinion, but it must be supported with logical, sound reasons that are applicable to the scenario.
   Sample answer:
   Andiswa must control the money owing to her from customers. R43 000 would cover the amount she owes her suppliers. She cannot afford to get into this situation.

[141]

Total: 141 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 141 qnd give them feedback on their performance to prepare them for formal assessment.

Activity 3 Post to the ledgers of Denzel Stationery Store

Learner's Book page 183

Guidelines to implement this activity

- This is an individual activity.
- Give the learners time to draw up the journals and ledgers before they start the activity. Let them do this for homework so that they are ready to do the activity when they get to the class.
- If learners get to class and they do not have the required exercise books, let them draw the columns on a piece of paper. They must do the activity on paper and then transfer this – in their own time – to the correct exercise books.
- It is important that the Subsidiary Journals the learners use from activity 2 are correct before they start posting from these to the ledgers.
- The learners must be reminded to check that the total in the debtors and creditors lists are the same as the balance brought down in the corresponding Debtor and Creditors Control accounts.

Review Copy

Suggested answers

1. Goods purchased for cash (CPJ); goods purchased on credit (CJ); goods returned by customers (DAJ); cost price of goods sold for cash (CRJ); and cost price of goods sold on credit (CJ).

2–3, 5.

General Ledger of Denzel Stationery Store

Balance Sheet Accounts Section

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

					2012 July	1	Balance	b/d	270 000

Bank B2

2012 July	1	Balance	b/d	49 640	2012 July	31	Bank	CPJ1	96 254
	31	Bank	CPJ1	130 616			Balance	c/d	84 002
				180 256					180 256
Aug	1	Balance	b/d	84 002					

Term 4

Trading stock B3

2012 July	1	Balance	b/d	86 000	2012 July	31	Cost of sales	CRJ1	69 040
	31	Creditors Control	CJ1	49 590			Creditors Control	CAJ1	1 394
		Cost of sales	DAJ1	1 290			Cost of sales	DJ1	37 500
							Balance	c/d	28 946
				136 880					136 880
Aug	1	Balance	b/d	28 946					

Debtors Control B4

2012 July	1	Balance	b/d	23 690	2012 July	1	Bank	CRJ1	40 801
	31	Sales	DJ1	48 750		31	Debtors Allowances	DAJ1	1 677
							Balance	c/d	29 962
				72 440					72 440
Aug	1	Balance	b/d	29 962					

Review Copy

Creditors Control B5

2012 July	31	Bank	CPJ1	53 980	2012 July	1	Balance	b/d	20 196
		Sundry Acc	CAJ1	2 044		31	Sundry Acc	CJ1	56 390
		Balance	c/f	20 562					
				76 586					76 586
					Aug	1	Balance	b/d	20 562

Furniture and fittings B6

2012 July	1	Balance	b/d	26 590	2012 July	31	Creditors Control	CAJ1	650
	31	Creditors control	CJ1	3 460			Balance	c/d	29 400
				30 050					30 050
Aug	1	Balance	b/d	29 400					

Nominal Accounts Section

Sales N1

					2012 July	1	Total	b/f	32 591
						31	Bank	CRJ1	89 752
							Debtors control	DJ1	48 750
									171 093

Cost of sales N2

2012 July	1	Total	b/f	25 070	2012 July	31	Trading stock	DAJ1	1 290
	30	Trading stock	CRJ1	69 040			Total	c/f	130 320
		Trading stock	DJ1	37 500					
				131 610					131 610
Aug	1	Total	b/f	130 320					

Debtors allowances N3

2012 Aug	31	Debtors control	DAJ1	1 677					

Review Copy

Salaries N4

2012 July	1	Total	b/f	80 670					
	31	Bank	CPJ1	26 890					
				107 560					

Stationery N5

2012 July	1	Total	b/f	4 690					
	31	Creditors Control	CJ1	1 450					
				6 140					

Bank charges N6

2012 July	1	Total	b/f	321					
	31	Bank	CPJ1	254					
				575					

Interest income N7

					2012 July	1	Total	b/f	184
						30	Bank	CRJ1	63
									247

Electricity N8

2012 July	1	Total	b/f	2 300					
	31	Bank	CPJ1	1 790					
				4 090					

Review Copy

Rent N9

2012 July	1	Total	b/f	24 000					
	31	Bank	CPJ1	12 000					
				36 000					

Insurance N10

2012 July	31	Bank	CPJ1	1 340					

Petrol N11

2012 July	31	Creditors Control	CJ1	980					
		Creditors Control	CJ1	910					
				1 890					

4.

Debtors Ledger of Denzel Stationery Store
Senekal School

Year / Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jul	1	Balance	b/d	5 930		5 930
	2	Invoice 765		7 800		13 370
	3	Receipt 109			5 000	8 730
	5	Credit note A34			598	8 132

Moosa Attorneys

Year / Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jul	1	Balance		9 870		9 870
	5	Invoice 766		12 350		22 220
	23	Invoice 769		6 656		28 876
	30	Receipt 110			19 006	9 870

Review Copy

B & B Builders

Year / Month	Day	Details	Fol	Debit	Credit	Balance
2012 Jul	1	Balance	B/d	7 890		7 890
	6	Invoice 767		6 955		14 845
	10	Credit note A35			689	14 156
	26	Invoice 770		5 993		20 149
	29	Credit note A37			299	19 850
	30	Receipt 111			7 890	11 960

Aveek College

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 July	17	Invoice 768		8 996		8 996
	20	Credit note A36			91	8 905
	30	Receipt 112			8 905	0

Creditors Ledger of Denzel Stationery

Zabo Wholesalers

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 July	1	Balance			12 000	12 000
	2	Invoice Z234			14 500	26 500
		Cheque 235		12 000		14 500
	7	Debit note 56		435		14 065
	10	Invoice Z356			15 300	29 365
	15	Debit note 57		459		28 906
	19	Invoice Z376			16 340	45 246
	25	Cheque 240		25 000		20 246
	30	Debit note D59		500		19 746

Review Copy

Coastal Petrol

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 July	5	Invoice I645			980	980
	14	Invoice I667			910	1 890
	25	Cheque 241		1 890		0

Thambo Fitting Specialists

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 July	1	Balance	B/d		4 506	4 506
	21	Invoice 789			3 460	7 966
	223	Debit note 59		650		7 316
	25	Cheque 242		6 500		816

Zanadu

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 July	1	Balance	b/d		3 690	3 690
	10	Cheque 238		3 690		0
	25	Invoice E45			4 900	4 900
		Cheque 243		4 900		0

6. **Creditors list on 31 July 2012**

Zabo Wholesalers	C1	19 746
Coastal Petrol	C2	0
Thambo Fittings	C3	816
Zanadu	C4	0
		20 562

Debtors list on 31 July 2012

Senekal School	D1	8 132
Moosa Attorneys	D2	9 870
B & B Builders	D3	11 960
Aveek College	D4	0
		29 962

Review Copy

7. Use discretion with the learners' answers. They may say yes or no. However, they must support their opinion with valid reasons that apply to the activity.
Sample answer:
Yes, I do think he has a problem even though the balance for the two months is similar. ✓✓ Senekal School and B & B Builders both have higher balances at the end of the month than at the beginning. ✓✓ Moosa Attorneys has paid their current account but not the balance from last month. ✓✓ Only Aveek College has paid their account in full. ✓✓The business must phone Senekal School and B & B Builders to ask when they will be paying their accounts and make sure that this is followed up. ✓✓ Moosa Attorneys must be telephoned and also sent a reminder letter asking them to pay their previous month's account. ✓✓

Assessment guidelines

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

Activity 4 Draw up journals and post to the ledgers

Learner's Book pages 184–185

Guidelines to implement this activity

- This is an individual activity.
- This is the first time the learners have done the subsidiary journals and all the ledgers in the same activity.
- It is important that they are methodical and accurate. They must know the steps to working in a logical, methodical order.

Suggested answers

1. Invoice, receipt, credit note (any 2).

2–4.

Cash Receipts Journal of Mpumalanga Trading Store for April 2012 **CRJ1**

Doc.	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Sundry accounts		
									Amt	Fol	Details
R 23	1	S. James		6 530	6 530			6 530			
CRT 50		Sales		12 680	12 680	12 680	10 144				
R 24	12	S. Shabalala		2 500	2 500			2 500			
CRT 51		Sales		9 755	9 755	9 755	7 804				
CRT 52	25	Sales		13 480	13 480	13 480	10 784				
R 26	29	S. Shabalala		12 600	12 600			12 600			
R 27	30	S. James		6 925	6 925			6 925			
BS 45		Robobank			54				54		Interest income
					64 524	35 915	28 732	28 555	54		

Review Copy

Cash Payments Journal of Mpumalanga Trading Store for April 2012 **CPJ1**

Doc	Day	Details	Fol	Bank	Creditors control	Wages	Trading stock	Sundry accounts		
								Amt	Fol	Details
C10	1	Tots Toys		3 460			3 460			
C11	2	Belim Dealers		8 890	8 890					
C12	7	Cash		6 500		6 500				
C13	13	Allure Cosmetics		3 680			3 680			
C14	14	Cash		6 500		6 500				
	15	Vodacom		890				890		Drawings
C15	21	Cash		6 500		6 500				
C16	25	Maksons Wholesalers		15 000	15 000					
C17		Pencil Park		3 980	3 980					
ET	30	Telkom		670				670		Telephone
ET		QP Logistics		500			500			
ET		City Council		980				980		Water and electricity
				57 550	26 870	19 500	7 640	2 540		

Debtors Journal of Mpumalanga Trading Store for April 2012 **DJ1**

Inv.	Day	Debtor	Fol	Sales	Cost of sales
Inv 34	2	S. Shabalala		12 600	10 080
Inv 35	12	D. Naidoo		5 640	4 512
Inv 36	16	S. James		6 925	5 540
Inv37	26	S. Shabalala		5 890	4 712
				31 055	24 844

Debtors Allowances Journal of Mpumalanga Trading Store for April 2012 **DAJ1**

C/N	Day	Debtor	Fol	Debtors allowances	Cost of sales
CN10	16	S. Shabalala	DL1	378	
CN11	28	D. Naidoo		1 500	1 200
				1 878	1 200

Creditors Journal of Mpumalanga Trading Store for April 2012 **CJ1**

Inv	Day	Creditor	Fol	Creditors control	Trading stock	Equip-ment	Sundry accounts		
							Amt	Fol	Details
D32	3	Maksons Wholesalers		16 500	16 500				
68	7	Belim Dealers		12 650	12 650				
D46	13	Maksons Wholesalers`		7 800	7 800				
1034	17	Pencil Park		3 680			3 680		Stationery
70	21	Belim Dealers		8 542	8 542				
I235	27	Johnson Suppliers		12 600		12 600			
				61 772	45 492	12 600	3 680		

Review Copy

Creditors Allowances Journal of Mpumalanga Trading Store for April 2012 **CJ1**

Inv	Day	Creditor	Fol	Credtors control	Trading stock	Equip-ment	Sundry accounts		
							Amt	Fol	Details
20	18	Maksons Wholesalers		495	495				
21	25	Belim Dealers		1 570	1 570				
				2 065	2 065				

4.

General Ledger of Mpumalanga Trading Store

Balance Sheet Accounts Section

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

					2012 Mar	1	Balance	b/d	140 000

Bank B2

2012 Mar	1	Balance	b/d	4 220	2012 Mar	31	Sundry Acc	CPJ1	57 550
	31	Sundry Acc	CRJ1	64 524			Balance	c/d	11 194
				68 744					68 744
Apr	1	Balance	b/d	11 194					

Vehicles B3

2012 Mar	1	Balance	b/d	56 790					

Equipment B4

2012 Mar	1	Balance	b/d	23 560					
	31	Creditors control	CJ1	12 600					
				36 160					

Trading stock B5

2012 Mar	1	Balance	b/d	21 540	2012 Mar	31	Cost of sales	CRJ1	28 732
	31	Bank	CPJ1	7 640			Cost of sales	DJ1	24 844
		Cost of sales	DAJ1	1 200			Creditors control	CAJ1	2 065
		Creditors control	CJ1	45 492			Balance	c/d	20 231
				75 872					75 872
Apr	1	Balance	b/d	20 231					

Review Copy

Debtors Control B6

2012 Mar	1	Balance	b/d	15 430	2012 Mar	31	Bank	CRJ1	28 555
	31	Sales	DJ1	31 055			Debtors All	DAJ1	1 878
							Balance	c/d	16 052
				46 485					46 485
Apr	1	Balance	b/d	16 052					

Creditors Control B7

2012 Mar	31	Bank	CPJ1	26 870	2012 Mar	1	Balance	b/d	10 190
		Sundry acc	CAJ1	2 065		31	Sundry acc	CJ1	61 772
		Balance	c/d	43 027					
				71 962					71 962
					Apr	1	Balance	b/d	43 027

Drawings

2012 Mar	1	Balance	b/d	2 300					
	31	Bank	CPJ1	890					
				3 190					

Review Copy

Nominal Accounts Section

Sales N1

					2012 Mar	1	Total	b/f	34 600
						31	Bank	CRJ1	35 915
							Debtors Control	DJ1	31 055
									101 570

Cost of sales N2

2012 Mar	1	Total	b/f	27 680	2012 Mar	31	Trading stock	DAJ1	1 200
	31	Trading stock	CRJ1	28 732			Total	c/f	80 056
		Trading stock	DJ1	24 844					
				81 256					81 256
Apr	1	Total	b/f	80 056					

Stationery N3

2012 Mar	1	Total	b/f	2 350					
	31	Creditors Control	CJ1	3 680					
				6 030					

Wages N4

2012 Mar	1	Total	b/f	23 700					
	31	Bank	CPJ1	19 500					
				43 200					

Debtors allowances N5

2012 Mar	1	Total	b/f	3 500					
	31	Debtors Control	DAJ1	1 878					
				5 378					

Interest income N6

					2012 Mar	1	Total	b/f	120
						31	Bank	CRJ1	54
									174

Telephone

2012 Mar	1	Total	b/f	2 190					
	31	Bank	CPJ1	670					
				2 860					

Electricity

2012 Mar	1	Total	b/f	1 650					
	31	Bank	CPJ	980					
				2 630					

Review Copy

Debtors Ledger of Mpumalanga Trading Store

S. Shabalala D1

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Mar	1	Balance	b/d	2 500		2 500
	2	Invoice 34		12 600		15 100
	12	Receipt			2 500	12 600
	16	Credit note 10			378	12 222
	26	Invoice 37		5 890		18 112
	29	Receipt			12 600	5 512

D. Naidoo D2

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Mar	1	Balance	b/d	6 400		6 400
	12	Invoice 35		5 640		12 040
	28	Credit note 11			1 500	10 540

Review Copy

S. James D3

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Mar	1	Balance	b/d	6 530		6 530
		Receipt			6 530	0
	16	Invoice 36		6 925		6 925
	30	Receipt			6 925	0

Creditors ledger of Mpumalanga Trading Store

Maksons Wholesalers C1

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Mar	1	Balance	b/d	2 000		(2 000)
	3	Invoice D32			16 500	14 500
	13	Invoice D46			7 800	22 300
	18	Debit note 20		495		21 805
	25	Cheque 16		15 000		6 805

Belim Dealers C2

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Mar	1	Balance	b/d		8 890	8 890
	2	Cheque		8 890		0
	7	Invoice I68			12 650	12 650
	21	Invoice I70			8 542	21 192
	25	Debit note 21		1 570		19 622

Pencil Park C3

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Mar	1	Balance	b/d		3 300	3 300
	17	Invoice I1034			3 680	6 980
	21	Cheque		3 980		3 000

Johnson Suppliers C4

Year Month	Day	Details	Fol	Debit	Credit	Balance
2012 Mar	27	I235	b/d		12 600	12 600

Review Copy

Debtors List on 31 March 2012

Shabalala	D1	5 512
D. Naidoo	D2	10 540
S. James	D3	0
		16 052

Creditors List on 31 March 2012

Maksons Wholesalers	C1	6 805
Belim Dealers	C2	19 622
Pencil Park	C3	3 000
Johnson Suppliers	C4	12 600
		42 027

5. Maksons Wholesalers may have overpaid their previous account or have been given a credit note after their previous account had been paid.
6. Use discretion with learners' answers. They can give some of the following:
   - Send a statement of account at the end of each month.

- If the account has not been paid by the middle of the month, they must be telephoned to ask when payment can be expected.
- Letters reminding them to pay their account could be sent.
- Stickers could be attached to the next account highlighting that the balance has not been paid.

Assessment guidelines

This activity is intended for informal assessment.

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

The learners must be told that they will not be required to draw up all the subsidiary books and post to all the ledgers in an examination. This is because there is not sufficient time and also the mark allocation would be far too high for the examination total.

Suggested mark allocations have been given for each section of this activity. You can select some sections to which you can allocate marks. The learners must be shown how marks are allocated in a formal assessment so that they are adequately prepared for such as assessment.

Allocating marks at this stage will give the learners confidence and also show them where they need to practise to improve their mark before the final formal assessment, the examination.

Review Copy

Activity 5 Complete the Debtors and Creditors control accounts

Learner's Book pages 185–186

Guidelines to implement this activity

- This is an individual activity.
- It is good to point out to the learners that this is a typical examination-type question. It challenges their understanding of the work.

Suggested answers

1.

General Ledger of Quenton Catering Supplies

Balance Sheet Accounts Section

Trading stock B1

2012 Jul	1	Balance✓	B/d	✓23 000	2012 Jul	30	Cost of sales✓	CRJ	✓54 433
	30	Bank✓	CPJ	✓46 500			Cost of vsales	DJ	✓21 333
		Creditors Control✓	CJ	✓36 700			Creditors Control✓	CAJ	✓2 350
		Cost of sales✓	CAJ	✓1 240			Balance✓	c/d	✓29 324
				107 440					✓107 440
Aug✓	1	Balance ✓	b/d	✓29 324					

(19)

Term 4

Debtors Control B2

2012 Jul	1	Balance ✓	b/d	✓65 320	2012 Jul	30	Bank✓	CRJ	✓55 000
		Sales✓	DJ	✓25 600			Debtors allowances✓	DAJ	✓2 356
							Balance✓	c/d	✓33 563
				90 920					✓90 920
Aug✓	1	Balance ✓	b/d	✓33 563					

(14)

Creditors Control B3

2012 Jul	30	Bank✓	CPJ	✓35 000	2012 Jul	1	Balance ✓	b/d	✓12 500
		Sundry accounts✓	CAJ	✓3 400			Sundry accounts✓	CJ	✓45 600
		Balance ✓	c/d	✓19 700					
				58 100					✓58 100
					Aug	1	Balance✓	B/d	✓19 700

(13)

Review Copy

2. The total bank does not add up as the cost of sales is not part of the money received or deposited in the bank. ✓✓ (2)
3. An allowance that is given that does not involve the return of goods is not part of the cost of sales. ✓✓ Therefore, the debtors allowances will be different from the cost of sales calculation. ✓✓ (Max 2)

Total: 50 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 50 and give them feedback on their performance to prepare them for formal assessment.

This is a good activity to mark as it is similar to some examination questions. This will give the learners an opportunity to see how they can improve on their performance and improve their end-of-year result.

Activity 6 Understand a trial balance

Learner's Book page 186

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. Balance sheet section✓, nominal section ✓ (2)
2. The purpose of the trial balance is to check that the double-entry principle has been completed properly. ✓✓ This means that every transaction should have been entered once on the debit side of an account ✓and once on the credit side of a different account. ✓ (Max 4)
3. Accounting cycle:
   Transaction ✓
   Source documents ✓
   Journals ✓
   General ledger ✓
   Trial Balance ✓ (5)

[11]

Total: 11 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 11 and give them feedback on their performance to prepare them for formal assessment.

The suggested mark allocation has been given so that the learners can see how well they would have done in a test situation.

Review Copy

Activity 7 Draw up a trial balance for Denzel Stationery Store

Learner's Book page 187

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. The main purpose of the trial balance is to check that every transaction has been entered twice in the General Ledger. ✓✓ It does not indicate that the work is correct. ✓✓ If a transaction has been entered on the correct side, but the incorrect account, ✓✓ the trial balance will still balance but the work will not be accurate. ✓✓ (Max 4)

2.

Trial balance of Denzel Stationery Store on 1 July 2012

Balance Sheet Accounts Section✓	**Debit**	**Credit**
Capital		270 000
Bank	49 640	
Trading stock	86 000	
Debtors Control	23 690	
Creditors Control		20 196
Fittings and furniture	26 590	
Nominal Accounts Section✓		
Sales		32 591
Cost of sales	25 070	
Salaries	80 670	
Stationery	4 690	
Bank charges	321	
Interest income		184
Electricity	2 300	
Insurance		
Rent	24 000	
	322 971	322 971
	(11)	(5)

(18)

3.

Trial balance of Denzel Stationery Store on 1 August 2012

Balance Sheet Accounts Section	**Debit**	**Credit**
Capital		270 000
Bank	84 093	
Trading stock	28 946	
Debtors Control	29 871	
Creditors Control		20 562
Fittings and furniture	29 400	
Nominal Accounts Section		
Sales		171 093
Cost of sales	130 320	
Salaries	107 560	
Stationery	6 140	
Bank charges	575	
Interest income		247
Electricity	4 090	
Insurance	1 340	
Rent	36 000	
Petrol	1 890	
Debtors Allowances	1 677	
	461 902	461 902
	(14)	(5)

(20)

Review Copy

4. The sales have increased by a large amount in just one month.✓✓
The debtors control shows that the amount owning to the business is not high compared to the increase in sales.✓✓ This means that the business is being run very well. ✓✓

(Max 8)
[50]
Total: 50 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 50 and give them feedback on their performance to prepare them for formal assessment.

This is a good activity to use to assess the learners understanding of trial balances.

Activity 8 Draw up the trial balance for Mpumalanga Trading Store

Learner's Book page 188

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. $\frac{\text{Selling price} \times 100}{(100 + \text{mark up})}$ = Cost price
2. Income – expenses = profit
3.

Trial Balance of Mpumalanga Trading Store on 31 March 2012

Balance Sheet Accounts Section	Debit	Credit
Capital		140 000
Bank	4 220	
Vehicles	56 790	
Equipment	23 560	
Trading stock	21 540	
Debtors Control	15 430	
Creditors Control		10 190
Drawings	2 300	
Nominal Accounts Section		
Sales		34 600
Cost of sales	27 680	
Stationery	2 350	
Wages	23 700	
Debtors Allowances	3 500	
Interest income		120
Telephone	2 190	
Electricity	1 650	
	184 910	184 910

Review Copy

4.

Trial Balance of Mpumalanga Trading Store on 30 April 2012

Balance Sheet Accounts Section	Debit	Credit
Capital		140 000
Bank	12 194	
Vehicles	56 790	
Equipment	36 160	
Trading stock	20 231	
Debtors Control	16 052	
Creditors Control		43 027
Drawings	3 190	
Nominal Accounts Section		
Sales		101 570
Cost of sales	80 056	
Stationery	6 030	
Wages	43 200	
Debtors Allowances	5 378	
Interest income		174
Telephone	2 860	
Electricity	2 630	
	284 771	284 771

5. 31 March is the last day of the month and the bookkeeper probably uses this date instead of 1 April when the balance and totals are b/d or b/f. (2)

6. Calculation of Profit or Loss

Income		101 744
Sales	101 570	
Interest income	174	
Expenses		140 154
Cost of sales	80 056	
Stationery	6 030	
Wages	43 200	
Debtors allowances	5 378	
Telephone	2 860	
Electricity	2 630	
Loss		(38 410)

Review Copy

Assessment guidelines

This activity is intended for informal assessment.

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

Core concepts

Check that learners have understood the core concepts of this unit. Give them practice in using these concepts in order to prepare them for the year end examinations: recording of cash and credit transactions of a sole trader in the subsidiary journals, posting to the Debtors Journal, Debtors Allowance Journal, Creditors Journal, Creditors Allowance Journal and General Ledger, and preparation of a trial balance.

Review Copy

UNIT

2 Entrepreneurship: Business plan

Unit overview

Learner's Book pages 189–199

Recommended pacing: 40 minutes × 9 lessons = 6 hours
Entrepreneurship

In this unit you will cover:
- business plans and their purpose
- how to create a business plan
- how to calculate the point at which the business starts making a profit.

Additional resources: Newspapers, magazines, the Yellow Pages, telephone book

Review Copy

Teaching guidelines

- The unit provides a series of activities that take learners step by step through the sections of a business plan and their purpose.
- Read through the text with the class and check for understanding of each section before proceeding to the next section.
- Learners will need time to research business names and advertising strategies from the available resources.
- If these are limited, ask learners to bring newspapers and magazines from home on the day before your lesson.

Activity 1 Consider descriptive business names

Learner's Book pages 190–191

Guidelines to implement this activity

- This is an individual activity.
- Learners must record their answers in their workbooks.

Suggested answers

1.1 Learners may offer different ideas but these should be logical to earn 2 marks for each business. Suggestions are:
- Rebecca's Pens: pens, perhaps stationery goods
- Cassie's Catering: meals, fast foods
- Martha's Mushrooms: fresh mushrooms, perhaps mushroom products.

- Ama Kitchen: food, meals
- Express Printers: printing, photocopying
- Great Minds: books, perhaps mental training
- Posh Pets: pet grooming parlour, pet supplies
- The Bodyworks: gym, health spa, personal care products (10)

2.1 The choice of good names, their reasons and ranking will be individual choices. Learners must give reasons for their choice. Award 2 marks for the selection of good names and the reasons for their choice. (5)

2.2 Learners will select a range of different names. Award a mark for each descriptive business name, to a maximum of 5.
Encourage the learners to give explanations of why they think each name they chose is a good name for that business. Each learner may get a maximum of 5 additional marks for their explanations. (10)

[25]

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

Review Copy

Activity 2 Identify essential aspects of production for the production plan

Learner's Book page 193

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. the suppliers, ✓ the production process; ✓ the output in terms of quality control, storage and waste management✓ (3)
2. as sources of raw materials (inputs); ✓ to identify the method and requirements (labour and technology); ✓ to demonstrate that quality, ✓ safety✓ and risk✓ are being planned for and managed✓ (6)

[9]

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

Activity 3 Suggest suitable marketing methods

Learner's Book page 194

Guidelines to implement this activity

- This is an individual and pair activity.
- Learners' answer question 1 individually.
- They brainstorm with a partner ways of marketing the types of business listed and record their answers in their workbooks.

Suggested answers

1. The marketing plan identifies your target market by analysing who your market is and where it is located. (2)

2.1 Local residents and small businesses – posters, leaflets, small advertisements in local newspapers (2)

2.2 Glossy women's magazine advertisements, SMS news of new stock to existing customers (2)

2.3 Advertisements in national travel magazines and in newspapers just before holiday periods, perhaps on social pages on the Internet (2)

2.4 Local newspapers, Yellow Pages, leaflets (2)

Total: 10 marks

3. Class discussion. Encourage the learners to share their ideas.

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

Review Copy

Activity 4 Use the 4Ps of marketing

Learner's Book page 194

Guidelines to implement this activity

- This is a pair activity.

Suggested answers

1. Pairs should agree on a business name and jointly produce an advertising poster that can be displayed in the classroom. Remind learners of the main criteria for an effective poster, and give praise for:
   - Attractive and arresting layout – does it draw attention? (5)
   - Prominent use of business name and logo, if one is available. (Learners may be creative and construct one of their own!) (5)
   - Stating or indicating clearly what the business does. If appropriate for the product or service, a price might be given. (5)
   - Learners should give contact details: street address and telephone or mobile phone number. (5)

Total: 20 marks

2. Allow discussion of the different posters in class and get learners to vote for the best one. Perhaps you could award a small prize, such as a health bar or a pack of trail mix.

Assessment guidelines

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

Criteria	Yes	Partly	No
The learner(s):			
agreed on a business name.			
produced an effective advertisement for the business according to instructions.			
participated in the class discussion and choice of the best poster.			

Activity 5 Review a SWOT analysis

Learner's Book page 196

Review Copy

Guidelines to implement this activity

- This is an individual activity.
- Learners record their answers in their workbooks.

Suggested answers

1. A SWOT analysis is a study of strengths, weaknesses, opportunities and threats. It is carried out by a business. (2)
2. Carrying out a SWOT analysis when starting a new business gives the entrepreneur/owner the chance to assess the internal and external environments of the business so that suitable plans can be made to achieve the goals of the business. (4)
3. One important strength in The ABC Clothing Company's SWOT analysis is having a combination of skills in directorship to develop business strategies and long-term plans in product marketing and business (however learners may choose either of the strengths listed to earn 2 marks). (2)
   One serious threat in the SWOT analysis could be having a limited financial base compared to the major competitors in the industry. (2)

Total: 10 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 10 and give them feedback on their performance to prepare them for formal assessment.

Activity 6 Work with the break-even point

Learner's Book page 198

Guidelines to implement this activity

- This is an individual activity.
- Learners must show their calculations to get full marks.

Suggested answers

1. A break-even point is reached when business expenses✓ equal income from sales. ✓ (2)
2. A monthly or annual break-even point for the sales of a business is important because a business is able to calculate the minimum number of sales it must make, ✓ adjust prices, ✓ or look for practical ways to reduce costs✓ in order to create profits more quickly. (3)
3. The minimum monthly number of sales needed to break-even at The ABC Clothing Company, based on the following calculation, is:
   Each item contributes R50 – R20 = R30 towards fixed costs. ✓✓✓ (3)
   Monthly fixed costs: R4 000 ÷ R30 = 133,33 units must be sold to break even. ✓✓✓ (3)
4. Break-even in this scenario is 134 (133,33) units. So if they are selling only 150, things are not looking good. A good answer will include how much profit the company made, that is: R30 per unit × 16 (number of units above break-even) = R480. (4)

Total: 15 marks

Review Copy

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

Core concepts

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

Term 4 Assessment: Exemplar final examination memorandum

Learner's Book pages 208–212

Guide to cognitive levels

Section	Question	Topic			Cognitive Levels			Marks
		Econ.	Fin. Lit	Entrep.	1	2	3	
A	1	6	4	4	14			60
	2	4	4	4	12			
	3	4	10	6	20			
	4	4	6	4	14			
B	5	40			2	4, 10	6	40
	6					10	8	
C	7		40			30	10	60
	8		20			4	16	
D	9			30		12, 6, 6	6	40
	10			10			10	
Actual marks		58	84	58	62	82	58	200
Actual %								
Required marks		60	80	60	60	80	60	200
Required %		30%	40%	30%	30%	40%	30%	

Review Copy

Section A

1.1 A – All businesses are owned by the government✓✓
1.2 C – Globalisation✓✓
1.3 A – Primary✓✓
1.4 C – Strengths, weaknesses, opportunities, threats✓✓
1.5 B – The foreign sector✓✓
1.6 B – A summary of what you owe your suppliers at the end of the month✓✓
1.7 A – Debtor✓✓

(7 × 2) [14]

2.1 False✓✓
2.2 True✓✓
2.3 False✓✓
2.4 False✓✓
2.5 False✓✓
2.6 False✓✓

(6 × 2) [12]

3.1 G – Source document used to enter transactions in the Debtors Allowances Journal✓✓
3.2 E – Source document used to enter transactions in the Creditors Allowances Journal✓✓
3.3 B – A table of quantities demanded at different prices✓✓
3.4 G – Source document used to enter transactions in the Debtors Journal✓✓
3.5 H – Large businesses such as banks that loan money to households and businesses and invest their savings for them✓✓
3.6 D – Will contain details of the capital and equipment needed ✓
3.7 A – This is the difference between cost price and selling price ✓
3.8 I – Source document used to enter transactions in the Creditors Journal✓✓
3.9 C – Will contain details of the amount of human and natural resources needed✓✓
3.10 F – Expense that is recorded in the Cash Payments Journal ✓

(10 × 2 marks) [20]

4.1 household✓✓
4.2 gross profit✓✓
4.3 market✓✓
4.4 drawings✓✓
4.5 business plan✓✓
4.6 consumers✓✓
4.7 reuse✓✓

(7 × 2 marks) [14]

Section A total: 60 marks

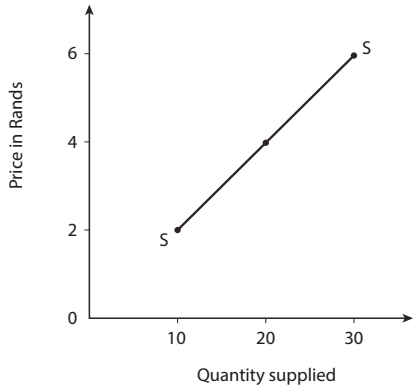
Review Copy

Section B: The Economy

5.1 As the price increases, the quantity demanded decreases.✓✓ (2)
5.2 The point where the demand and supply curve intersect✓ This is the price at which the quantity demanded is equal to the quantity supplied. ✓✓ (4)
5.3
- Consumer preferences or tastes change and the commodity becomes more popular often as a result of an increase in the advertising of the commodity. ✓✓
- The market increases – increase in population.✓✓
- Other substitute goods become more expensive. ✓✓
- The quality of the product is improved but the price remains the same. ✓✓
- The incomes of consumers increases. ✓✓ (5 × 2 = 10)

5.4

:



(6)
[22]

6.1 Trade unions can contribute to this growth in a number of different ways:

- Large trade unions can put a lot of pressure on the government to spend money on projects and services that will bring growth and development. ✓✓ For example, spending more money on improving infrastructure will create many new jobs and help the development of transport and communication networks which are necessary for growth.✓✓
- They can urge the government to increase spending on skills training of workers. For example, the government introduced a system called Skills Education and Training Authorities (SETAs), which assist with training workers in a variety of industries.✓✓
- They ensure that workers are paid fair wages for their work, which improves productivity in the workplace, which also adds to growth.
- They ensure good working conditions and safety in the workplace, which also improves productivity. ✓✓
- Through negotiations, they can settle disputes in an orderly manner with employers. This reduces disruptions to work that would occur if workers were all negotiating as individuals. ✓✓ (5 × 2)

6.2 Employers – loss of production resulting in loss of income and loss of staff if they are dismissed
Employees – loss of income and loss of their jobs (4)

[14]

Section B total: 36 marks

Review Copy

Section C: Financial Literacy

7.1

Trading Stock B3

2012 March	1	Balance	b/d	✓256 000	2012 March	31	Cost of sales✓	CRJ1	✓23 920
	31	Bank✓	CPJ1	✓29 320			Cost of sales✓	DJ1	✓251 620
		Creditors Control✓	CJ1	✓135 261			Creditors Control✓	CAJ1	✓12 560
		Cost of sales✓	DAJ1	✓ 3 250			Balance✓	c/d	✓135 731
				423 831					**423 831**
Apr	1	Balance	b/d✓	135 730					

(15)

Debtors Control B4

2012 March	1	Balance	b/d	✓22 060	2012 March	31	Bank✓	CRJ1	✓321 060
		Sales✓	DJ1	352 268			Debtors Allowances✓	DAJ1	✓5 360
							Balance	c/d	✓47 908
				374 328					**374 328**
Apr	1	Balance	b/d✓	47 908					

(7)

Creditors Control B4

2012 March	31	Bank✓	CPJ1	✓135 600	2012 March	1	Balance	b/d	✓56 200
		Sundry Acc✓	CAJ1	✓12 560		31	Sundry Acc	CJ1	✓151 090
		Balance	c/d	✓59 130					
				207 290					**207 290**
					2012 Apr	1	Balance	b/d	59 130

(8)
[30]

7.2 Use discretion with learners' answers. They must give their opinion and support this with valid, logical reasons.
Sample answer:
Yes, I do think Monty has made a good decision, because he can increase his sales as his customers will be able to purchase more now that they are able to pay at the end of the month. ✓✓
He will be able to attract more customers who may not have been able to purchase for cash. ✓✓ (4)

OR

No, I do not think Monty has made a good decision, because his debtors owe him R47 908 at the end of the month, which means that he does not have money to replace the stock that was sold on credit. ✓✓ His costs have increased as he has to keep strict records to ensure that the customers do not take too much credit that they cannot afford. He also has to send out statements each month. ✓✓ (4)

Review Copy

7.3 Monty benefits because he can sell the stock before he has to pay for it. ✓✓ This means that he can use his money more efficiently to make more profit. ✓✓ He can receive discount if he pays the account early,✓✓ which means that his cost price is lower, and this results in higher profit. ✓✓ (Max 6)
[40]

Question 8

8.1
Trial Balance of Jenson Clothing Manufacturers on 30 June 2012✓

Balance Sheet Accounts Section✓	Debit	Credit
Capital		✓350 000
Vehicle	✓265 000	
Trading stock	✓150 200	
Debtors Control	✓46 662	
Creditors Control		✓8 500
Bank		3 070
Nominal Accounts Section✓		

Sales		✓441 232
Cost of sales	✓200 560	
Debtors Allowances	✓12 560	
Salary	✓98 320	
Rent	✓15 600	
Interest income		✓260
Telephone	✓8 560	
Water and lights	✓5 600	
	✓803 062	✓803062

(18)

8.2 Bank balance: R3 070✓✓ (2)

[20]

Section C total: 60 marks

Section D: Entrepreneurship

Review Copy

9.1 Mining is part of the primary sector. ✓ The mines supply raw materials to manufacturing businesses to be used in their products. ✓✓, For example, the gold from a gold mine is sent to manufacturing jewellers to make various types of jewellery. ✓✓ (5)

A fashion designer is part of the secondary sector. ✓ The fashion designer designs the clothes and then sends the designs to the pattern cutter and machinists who will make the garments. ✓✓The secondary sector is part of the manufacturing group. ✓✓ They use inputs to produce outputs. ✓✓ (Max 5)

The retail store where the man is shopping is part of the tertiary sector. ✓ They ensure the goods get to the customer. ✓✓ They provide a service for the consumer. ✓✓ (Max 5)

9.2.1 Nhlanhla will need skilled workers to design the clothes and manufacture or sew the items. ✓She will need semi skilled workers e.g. a bookkeeper, salesperson, secretary to do specific tasks in the business. ✓✓ The unskilled workers would be the cleaner ✓✓and any other person who does not have skills but is needed to do other types of work. ✓✓ (Max 5)

9.2.2 Nhlanhla's business has a dual role: the manufacturer and retailer. ✓✓The manufacturing side provides jobs, meets the needs of the people for clothing. ✓✓ Most of her workers will be involved in the manufacturing side of the business. ✓✓The retail part provides a service for the customers. ✓✓ They goods are stored in a shop where the customer can go and try the garments on. ✓✓ The retail store provides a choice for the customer. ✓✓ (Max 5)

9.2.3 The learners must apply their knowledge and discussion in class to answer this questions. Use discretion with their answers. Their answers must refer to anything in the clothing manufacturing or clothing retail business.
Sample answers:

- The business can use recycled paper for packaging and all their documents. ✓✓
- The off-cuts of fabric can be given to be used in the local schools or community projects that teach sewing. ✓✓
- Used needles can be given to community sewing projects for use. ✓✓
- Clothing that is not sold can be either re-cut into something else or given to a community based organisation. ✓✓ (Max 5)

[30]

10 Use discretion with the learners' answers. They must relate their information to the scenario of selling rugby and soccer shirts. The learners need to give five facts written in full sentences. Therefore, they cannot describe each section of the business plan in detail. They must mention at least THREE sections of the business plan. The question does not ask for details about a business plan but for advice on how to draw one up.

Sample answer:

- A business plan is a detailed document that explains exactly what the business is about and why it will succeed. ✓✓ The main sections will be a detailed marketing plan✓ which includes customer needs analysis✓ and market research✓. It must include a detailed description of the product and how it will be made. ✓✓
- The financial plan is the next important section. ✓✓ It will have details about the amount of capital you will need and what you will buy with it e.g. equipment, raw materials, premises, and so on. ✓✓
- The operational plan gives details about your staff, how you will get the product to the customer, where and who will be responsible for the different aspects of the business. ✓✓ (Max 10)

[10]

Section D total: 40 marks

Total: 200 marks

Review Copy

Term 1 Assessment: Assignment

PoA

Draw up a presentation on economic systems

Imagine that you are the new Minister of Trade in a newly independent country. Draw up a presentation that you will give to Parliament in which you outline which economic system the country needs to adopt. Explain all the advantages of the system you have chosen and give reasons why you think it will be more suited to your country than any other system.

Review Copy

Assessment criteria

Your presentation will be assessed using the following criteria. Read and understand each of these criteria carefully before starting your assignment.

Total: 50 marks

Criteria	Excellent	Good	Average	Needs help
Presentation 10 marks	Very neatly Presented 8–10	Neatly presented 6–7	Fairly neat presentation 4–5	Poor presentation 0–3
Content detail 30 marks	A highly detailed report 8–10	A good amount of detail 6–7	Most of the important detail has been included 4–5	Very little detail 0–3
Convincing points 10 marks	Very convincing 8–10	Convincing 6–7	Fairly convincing 4–5	Unconvincing 0–3
Total marks				**50 marks**

Term 1 Assessment: Exemplar controlled test

PoA

Time: 60 minutes
Marks: 100 marks
Core knowledge: Financial literacy; The Economy

Section A

Question 1

Match the term in column A with the explanation or example in column B. Write down only the number (1.1 – 1.10) and the letter (A – K) of the correct answer.

1.1	Assets	**A**	Also known as a capitalist system
1.2	Drawings	**B**	Centralised welfare states
1.3	Expense	**C**	Bank overdraft
1.4	Global economy	**D**	The government makes all decisions about what goods and services are produced, how they are produced and who they are produced for
1.5	Income	**E**	Cost of sales
1.6	Liability	**F**	The way in which the economies of most of the countries in the world have become interconnected
1.7	Market economy	**G**	Owner pays personal telephone account
1.8	Modern socialist governments	**H**	Bank
1.9	Planned economy	**I**	Asset
1.10	Trading stock	**J**	Debt or money owing to another person or business
		K	Sales

Review Copy

(10 × 2)
[20]

Question 2

The following statements are all false. Make them into true statements by correcting the underlined words.

1. Karl Marx said workers were <u>exported</u> in the capitalist system.
2. <u>Global warming</u> means the integration of production and consumption in all markets across the world.
3. A <u>receipt</u> is used to record information in the CRJ.
4. A <u>cheque counterfoil</u> gives information about interest income.
5. Sales less cost of sales equals <u>profit</u>.

(5 × 2) **[10]**

Section A total: 30 marks

Section B: The Economy

Question 3

1. Name the FOUR participants in the circular flow model of a closed economy. (4)
2. Give an example of a fincial institution (2)
3. Briefly describe each of the four participants in the circular flow model of a closed economy. (8)
4. Consider the sources of the income that each of the four participants in the circular flow model receives. Suggest ways in which each of these participants could possibly increase the amount of income that they receive if they needed to. (16)

Section B total: 30 marks

Review Copy

Section C: Financial literacy

Question 4

4.1 Give the formula for calculating cost of sales. (2)

4.2 Read about Tiyani Meat Supplies below and then answer the questions that follow.

Tiyani Meat Supplies has a mark-up of 25% on all stock. Tiyani's bookkeeper was involved in an accident. After two weeks, Tiyani was desperate and tried to complete the Cash Receipts Journal.

CASH RECEIPTS JOURNAL OF TIYANI MEAT SUPPLIES FOR JUNE 2013

Doc	Day	Details	Fol	Analysis of Bank	Bank	Sales	Cost of sales	Sundry Accounts		
								Amount	Fol	Details
12	1	Durban Butchery			9 800	9 800				
14	6	Durban Butchery			11 500	11 500				
13	1	Zinkwazi Resort			4 600	4 600				
16	11	Zinkwazi Resort			10 900	10 900				
15	8	Redhill Hotel			6 300	6 300				
17	14	Tiyani			15 000					

Review Copy

4.2.1 State when an amount is put directly into the bank column. (2)

4.2.2 Rewrite and total the CRJ correctly. Tiyani told you he deposited R15 000 in the bank to increase his capital. (24)

4.2.3 Write a paragraph explaining the changes you made to the CRJ and give reasons for these changes. (12)

Section C total: 40 marks

Total: 100 marks

Term 2 Assessment: Data response

PoA

Analyse and advise Jozie T-shirt Designs

Jocelyn has the following two trial balances. She has big orders and is struggling to complete her deliveries on time. As a result, she does not have time to check her records. She has asked you to study these and give her advice.

TRIAL BALANCE OF JOZIE T-SHIRT DESIGNS

	1 March 2012		1 April 2012	
	Debit	**Credit**	**Debit**	**Credit**
Balance sheet section				
Capital		270 000		285 000
Drawings	25 000		25 000	
Bank		5 725		23 741
Vehicles	125 000		125 000	
Equipment	93 000		105 000	
Loan: Rabobank		60 000		48 000
Trading stock	68 000		46 125	
Debtors	13 560		31 260	
Nominal section				
Sales		194 040		265 364
Cost of sales	88 200		120 620	
Wages & salaries	28 000		42 000	
Stationery	12 000		17 000	
Rent	48 000		72 000	
Rent income		18 000		27 000
Transport expenses	26 005		39 100	
Entertainment	12 000		12 000	
Telephone	9 000		14 000	
	547 765	547 765	649 105	649 105

Review Copy

1 List two liabilities. (2)

2 Explain the following terms and give one example from the case study for each:

2.1 Fixed assets (3)

2.2 Current assets (3)

2.3 Non-current liabilities (3)

2.4 Current liabilities (3)

3 Calculate the mark-up Jocelyn uses. (Show all calculations.) (8)

4 Use the table below to calculate the Owner's Equity for the two periods. (8)

	1 March	**1 April**
Assets: Vehicles	125 000	125 000
Equipment	93 000	105 000
Trading stock	68 000	46 125
Debtors	13 560	31 260
	299 560	307 385
Liabilities: Loan Rabobank	60 000	48 000
Bank overdraft	5 725	23 741
	(65 725)	
Less Drawings	(25 000)	
Owner's Equity		

Review Copy

5 Comment on the change in Owner's Equity over the two months. (8)

6 Explain why it is important to control expenses in a business. Use examples from the case study (6)

7 Advise Jocelyn on how she can improve her business other than keeping good control over her expenses. (6)

Total: 50 marks

Term 2 Additional mid-year examination

Section A

Question 1

Multiple choice

Four options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

1.1 NOT a participant in the circular flow of a closed economy:
- A Households
- B Businesses
- C Foreign sector
- D Financial institutions

1.2 Factories in certain Asian countries where workers work for long hours for low wages:
- A Sweatshops
- B Labour camps
- C Work camps
- D Production lines

1.3 Raw materials are taken from the _____ sector and then transformed into products for the customer.
- A primary
- B secondary
- C tertiary
- D farming

(3 x 2 marks) [6]

Review Copy

Question 2

Complete missing words

Choose the correct term from the words in the block to complete the following sentences. Write only the word next to the question number:

Creditors, debtors, exploited, primary, protected, secondary, tertiary

2.1 Karl Marx said that workers were …in the Capitalist economic system

2.2 Transport companies, wholesalers and service providers are all part of the ... sector.

2.3 _____ allowances journal is only used for trading stock that is returned.

2.4 The role of the _____ sector is to provide jobs for people and to transform raw materials into products.

(4 x 2 marks) [8]

Question 3

Match columns

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

	Column A		Column B
3.1	Cost of sales	A	Brick factory, bakery, clothing factory
3.2	Globalisation	B	Price paid by customers after mark-up is added
3.3	Secondary sector	C	The integration of production and consumption markets across the world
3.4	Selling price	D	The price paid for goods that are purchased from suppliers
		E	The profit including overhead costs

(4 × 2) [8]

Question 4

True or false

4.1 Cost price is calculated on all products purchased.
4.2 Financial institutions make loans to households in the circular flow model
4.3 Mark-up must cover overhead costs.
4.4 The National Credit Act affects only credit sales of goods.

(4 × 2) [8]

Section A total: 30 marks

Review Copy

Section B – Economy

Question 5

Briefly explain THREE different characteristics of a market economy. (3 × 2 = 12)

Question 6

Draw a labelled sketch to indicate what equilibrium price is and also explain your answer in one sentence. (6 + 2 = 8)

Section B total: 20 marks

Section C – Financial literacy

Question 7

Swazi Boutique sells traditional style clothes with a modern twist and beaded accessories, using a 125% mark-up.

Transactions for July 2012. use your own document numbers.	
1	Sold a wedding dresses and accessories to Burton CC, R12 690
3	Purchased beads, fabric to make clothes and accessories from Debbots Designs, R8 900
4	Sold goods to Mrs Mhize , R3 555
5	Paid Telkom, R890 for telephone and fax; Sold dresses to Lerato Tapello, R3 670
8	Mrs Mhize returned a beaded necklace she decided she did not want, R450
12	Burton CC brought to our notice that we had left a discount we had promised, R250

Draw up the Debtors and Debtors Allowances Journal for Swazi Boutique. (16)

Question 8

Swazi Boutique has been offering credit for the past four years. Zinzi, the owner, has been told that her credit agreement is not in line with the National Credit Act. Give Zinzi advice on what she must do to make sure she is in line with the National Credit Act. (14)

Section C total: 30 marks

Section D: Entrepreneurship

Review Copy

Question 9

Zinzi seems to be throwing away a lot of excess fabric and beads that she does not need. At the end of the season she also gives away some of the clothing that will not be suitable for the next seasons collection. Zinzi has been approached by the Green Environment Group and asked to change her system of waste management.

Advise Zinzi on what sustainable use of resources means and give her advice on how she can make sure she uses her resources in a more sustainable manner. (10)

Question 10

Explain THREE types of skills that Zinzi will use in her business. (6)

Question 11

Describe the sector that Zinzi's business is part of. (4)

[20]

Section D total: 20 marks

Total: 100 marks

Term 2 Additional mid-year examination memorandum

Summary of topics and cognitive levels

Section	Question	Topic			Cognitive levels			Mark	Mark
		Econ.	Fin. Lit.	Entrep.	1	2	3		
A	1	2, 2	–	2	6			6	30
	2	2	2	2, 2	8			8	
	3	2	2, 2	2	8			8	
	4	2	2, 2, 2		8			8	
B	5	12				12			20
	6	8				8			
C	7		16			16			30
	8		14				14		
D	9			10			10		20
	10			10		6, 4			
Actual marks		30	42	28	30	46	24		100
Actual %		30%	42%	28%	30%	46%	24%		
Required %		30%	40%	30%	30%	40%	30%		

Review Copy

Section A

1.1 Foreign sector
1.2 Sweatshops
1.3 Primary

2.1 Exploited
2.2 Tertiary
2.3 Debtors
2.4 Secondary

3.1 D – The price paid for goods that are purchased from suppliers
3.2 C – The integration of production and consumption markets across the world
3.3 A – Brick factory, bakery, clothing factory
3.4 B – Price paid by customers after mark up is added

4.1 False
4.2 True
4.3 True
4.4 False

Section A total: 30marks

Section B – Economy

5. • People and businesses own the factors of production including land and capital. ✓✓
   • Entrepreneurs decide what goods and services to produce and how they produce them. These decisions are based on the demands or the needs and wants of consumers. ✓✓
   • Businesses aim to make as much profit as they can. ✓✓
   • Competition between producers is encouraged. ✓✓
   • Prices for products are based on the market principles of demand and supply. ✓✓
   • The government plays a very small role in the economy. ✓✓
   • People can buy whatever they can afford. ✓✓ (any 6 × 2 = 12)
6. Sketch – marks for each of the following: vertical axis = price; horizontal axis = quantity of goods; (demand curve; (supply curve; (point where supply and demand curves intersect. ✓ (6)
   Equilibrium price is the price at which the quantity demanded equals the amount the suppliers are willing to supply✓✓ (2)

Section B total: 20 marks

Section C: Financial literacy

7.

Debtors Journal of Swazi Boutique for July 2012

Inv No	Day	Debtor	Fol	Sales	Cost of sales
I22	1	Burton CC✓		✓12 690	✓5 640
I23	4	Mrs Mhize✓		✓3 555	✓1 580
✓				✓16 245	✓7 220

(9)

Debtors Allowances Journal of Swazi Boutique for July 2012

C/N	Day	Debtor	Fol	Sales	Cost of sales
6	8	Mrs Mhize✓		✓450	✓200
7	12	Burton CC✓		✓250	–
✓				✓700	200

(7)

8. Use discretion with learners' answers. They must give their advice and support it with logical reasons, using their knowledge of the National Credit Act.
   Sample answer:
   Zinzi must comply with the National Credit Act or she will be fined and, in some circumstances, may not be able to recover the debt from a customer. ✓✓. Zinzi must check her credit agreement and make sure that it is written in

Review Copy

easy-to-understand language. ✓✓ She must train her staff to ask for proof of all income and debts that the customer has. ✓✓ Her credit limit must be in line with the customer's ability to repay the debt. ✓✓ She must make sure that her credit agreement contains all the costs that are included or added to the credit. ✓✓ Zinzi must receive goods back from the customer if they are not the quality she has advertised or claimed. ✓✓ Zinzi's staff must make sure that they confirm the customer's income by either phoning the employer or making a copy of the customer's salary slip. ✓✓ (Max 14)

Section C total: 30 marks

Section D – Entrepreneurship

9. Use discretion with learners' answers. They must give their opinion based on their knowledge of sustainable resources and apply this knowledge to this particular industry.
   Sample answer:
   The sustainable use of resources is when all resources are used in a way that will extend the use of the resources and also minimize the waste. ✓✓ Zinzi must see whether she can use fabric off-cuts in other garments before throwing it away. ✓✓ She can also send the off-cuts to a sewing group that is teaching unemployed people sewing skills. ✓✓The beads can be reused on other garments or sent to the same sewing skills organisations. ✓✓Some of the clothing that she cannot sell when fashions change can be altered and changed into a different style. ✓✓ If this cannot be done, she can also give these to an organisation that assists people in need. ✓✓Zinzi needs to make 'reuse or recycle' a motto in her business. ✓✓ She can ask her staff for ideas as well. ✓✓ Some of the beads and off-cuts could be used in window displays. ✓✓ (Max 10)
10. Zinzi will use unskilled labour to clean and wash. ✓✓ Semi-skilled labour will be used to sew the garments ✓✓and skilled labour will be used to do her accounting records and to design the clothes. ✓✓ (6)
11. Zinzi is part of the secondary sector as she manufactures the clothes she sells. ✓ She uses raw material, fabric, beads etc;, and turns these into products (clothes and accessories) that can be sold to consumers. ✓✓ (4)

Section D total: 20 marks

Review Copy

Term 3 Assessment: Project

PoA

Research trade unions

Prepare a written report and give a short oral presentation on a specific trade union in South Africa, taking the following points into account:

- the name and abbreviation for the trade union
- the history and development of the trade union in South Africa
- who the union represents, how many members it has and who its leaders are.

Also find out about recent negotiations or strike action that the union has been involved in.

Use newspaper articles, television and radio reports or speak to people in your community who are trade union members to get information. If you know anybody who has participated in a strike, interview them as if you were a newspaper reporter.

Total: 50 marks

Review Copy

Assessment criteria

The marking rubric to show the learners is on page 165 of this teacher's guide. Be sure to provide this to the learners.

Term 3 Assessment: Exemplar controlled test

PoA

Time: 60 minutes
Marks: 100 marks
Core knowledge: The Economy, Financial literacy, Entrepreneurhip

Section A

Question 1

Choose the correct option to complete the sentences. Write down just the question number and the letter (A – D) that shows your answer.

1.1 The difference between the bookkeeping for selling and buying on credit is _____ .

- **A** trading stock is always recorded at selling price
- **B** the importance of cost price and selling price when selling on credit
- **C** anything can be sold on credit
- **D** the mark-up changes

1.2 Administration is concerned with _____ .

- **A** secretaries, receptionist, managers and supervisors
- **B** filing, answering the telephone, accounting, typing, computer programmes
- **C** filing, answering the telephone, typing, computer programmes and storing records
- **D** meetings, advising managers, paying salaries, storing documents

1.3 Allowances given by the supplier to the business affect the accounting equation in the following way:

- **A** Asset – ; Asset +
- **B** Liability –; OE +
- **C** Asset +; Liability –
- **D** Asset –; Liability –; OE 0

1.4 Public relations is concerned with ...

- **A** the image of the business
- **B** ensuring all advertising increases the customers' perception of the business
- **C** the health and welfare of the employees
- **D** reducing the risk the business is exposed to

1.5 _____ represent the trade union members in collective bargaining.

- **A** Shop stewards
- **B** Employers
- **C** Negotiators
- **D** Trade unionists

(5 × 2) **[10]**

Review Copy

Question 2

Match the terms in column A with the examples and description in column B. Write down only the question number followed by the letter (A–J) that indicates your choice.

	A		B
	Human resources	A	Managing the health and welfare of employees
2.2	Financial function	B	Managing the assets and liabilities of the business
2.3	Collective bargaining	C	One person or a small group of people negotiate on behalf of all trade union members
2.4	Retrenchments	D	Making people unemployed by ending their work contracts
2.5	Creditors	E	People who the business owes money to
2.6	Debtors	F	People who owe the business money
2.7	Creditors allowances	G	Goods returned and refunds or discounts that were not included on the invoice
2.8	Debtors allowances	H	An account that records refunds and allowances given to customers
2.9	Assets +; Liabilities +	I	Purchase trading stock on credit
2.10	Assets –; OE +	J	Sell trading stock on credit

(10 × 2) **[20]**

Question 3

State whether the following statements are true or false. Write down just the question number and the word 'True' or 'False'.

3.1 Human resources is the only function that deals with workers and trade union representatives. (2)

3.2 Trade union members do not have the right to strike in South Africa. (2)

3.3 Workers' rights are included in South Africa's Constitution. (2)

3.4 Trade unions negotiate wages but not working conditions. (2)

3.5 All businesses operate using all eight business functions. (2) **[10]**

Section A total: 40 marks

Section B: The Economy

Question 4

4.1 Explain how strikes, wildcat strikes and go slows can cause losses for both employers and employees. (8)

4.2 Evaluate the following statement: 'Trade unions can make a big contribution to sustainable growth and development in South Africa.' (12) **[20]**

Section B total: 20 marks

Review Copy

Section C: Entrepreneurship

Question 5

Blue Print Clothing is owned by Gerald, who designs the clothing, and Zanele, who is the financial and business brain behind the business. They have the following staff:
Wendy: secretary and receptionist
Suzie: bookkeeper
James: credit controller (assists Zanele)
There are five salespeople

The business is growing but it has no formal structure. Gerald and Zanele feel they are losing control.

5.1 Identify four functions of a business. (4)

5.2 Advise Blue Print Clothing on how they can restructure their business to ensure the business functions more efficiently. (16) **[20]**

Section C total: 20 marks

Section D: Financial literacy

Question 6

Blue Print Clothing has the following information in its journals:

Review Copy

Creditors Journal of Blue Print Clothing for March 2013

Doc	D	Creditor	Fol	Creditors control	Trading stock	Station-ery	Sundry accounts		
							Amount	Fol	Details
134	2	Fabric Designs		23 800	23 800				
L43	13	Pencil Park		2 650		2 650			
157	15	Fabric Designs		41 600	41 600				
26	18	Solataire		15 760			15 760		Equipment
L69	23	Pencil Park		590		590			
				84 400	65 400	3 240	15 760		

Creditors Allowances Journal of Blue Print Clothing for March 2013

Doc	D	Creditor	Fol	Creditors control	Trading stock	Stationery	Sundry accounts		
							Amount	Fol	Details
21	8	Fabric Designs		5 600	5 600				
23	20	Pencil Park		230		230			
				5 830	5 600	230			

Totals in the CPJ:

Cash Payments Journal of Blue Print Clothing for March 2013

Bank	Creditors control stock	Trading stock	Sundry accounts		
			Amount	Fol	Details
69 150	48 000	21 150			

Totals in the CRJ:

Cash Receipts Journal of Blue Print Clothing for March 2013

Analysis of receipts	Bank	Debtors control	Sales	Cost of sales	Sundry accounts		
					Amount	Fol	Details
	80 345	21 500	58 845	39 230			

6.1 Post the information to the following accounts and complete the missing information. Do not balance the accounts.

General Ledger of Blue Print Clothing

(a)

Dr **Trading stock B3** **Cr**

2013 March	1	Balance	b/d	5 000					

Creditors Control B4

					2013 March	1	Balance	b/d	14 600

(b)

Stationery

2013 March	1	Total	b/f	5 690					

[20]

Section D total: 20 marks

Total: 100 marks

Review Copy

Term 4 Additional year-end examination

Section A

Question 1

Multiple choice

Four options are provided as possible answers to the following question. Choose the answer and write only the letter (A–D) next to the question.

1.1 Economic system in which the factors of production are controlled by the state:
- A Globalisation
- B Planned economy
- C Mixed economy
- D Market economy

1.2 South Africa's economic system is an example of:
- A Globalisation
- B Planned economy
- C Mixed economy
- D Market economy

1.3 Cost of sales is calculated as follows:
- A Selling price × percentage mark up
- B Cost price × percentage mark up
- C Selling price × 100 ÷ mark up
- D Selling price × 100 ÷ (100 + mark up)

1.4 This function ensures that all minutes of meetings, letter and documents are filed in a way that will make it easy to recover them when they are needed.
- A Administration
- B General Management
- C Financial
- D Risk management

1.5 This function ensures that the vision and goals of the business are communicated to all departments and managers.
- A Administration
- B General management
- C Financial
- D Risk management

1.6 When demand is greater than supply:
- A Price increases
- B Price decreases
- C Demand increases
- D Supply decreases

1.7 The _____ journal is used for goods returned to suppliers and also for trade discounts that the supplier has not included in the invoice.
- A Creditors allowances
- B Creditors
- C Debtors allowances
- D Debtors

1.8 These costs change as the number of products made changes.

Review Copy

A Fixed
B Variable
C Mark up
D Break even point

1.9 Supplies the factors of production in the circular flow model:
A Households
B Businesses
C Government
D Financial institutions

1.10 A _____ shows that every transaction has been entered twice in the General Ledger
A Trial balance
B Income statement
C Balance sheet
D General ledger

(10 × 2 marks) [20]

Question 2

Complete the missing sentences.

Break-even, business, credit note, debit note, duplicate invoice, fixed cost, mixed, planned, production

2.1 The _____ calculation determines how many products must be made and sold to cover costs.
2.2 The _____ is the source document used for goods returned to creditors
2.3 An economic system that combines elements of a planned economy and a market economy is called a _____ economy
2.4 The _____ is the source documents used for goods returned by debtors.
2.5 The _____ plan is the document that describes the product, how it will be made, who will make it and how much it will cost. (5 × 2 marks) [10]

Review Copy

Question 3

Match the columns.

3.1	Banks	A	Analyses how the business will be structured and the resources that will be needed
3.2	Capitalism	B	Asset +; Liabilities +
3.3	Credit purchases	C	Financial institutions
3.4	Credit sales	D	Source document used when purchasing goods on credit
3.5	Financial plan	E	Analyses the profit that the business must make to be successful
3.6	Invoice	F	Period of low economic activity
3.7	Management plan	G	Value the owner has in the business
3.8	Marketing plan	H	Asset +; OE + and Asset -; OE –
3.9	Owner's Equity	I	Market economy
3.10	Recession	J	Analyses the most suitable selling price that the customer will pay

(10 × 2) [20]

Question 4

True or false

4.1 Fixed costs change as the number of products made increases.
4.2 Planned economies have strong social welfare programmes
4.3 The trial balance is used to draw up financial records.
4.4 Karl Marx was the 'father of capitalism'.
4.5 Variable costs stay the same from month to month.

(5 × 2) [10]

Section A total: 60 marks

Section B: Economy

Question 5

5.1 What are substitute goods? (2)
5.2 Explain how a drop in the price of a substitute good will affect the demand for a particular good. (4)
5.3 The fashion has changed from slip-on shoes to lace-ups and as a result Mahindra has been left with stock of slip-on shoes which no one wants to buy. Why do you think Mahindra has been left with all these shoes? Give reasons for your answer. (6)
5.4 Compare a mixed and a planned economic system. (8)

[20]

Review Copy

Question 6

6.1 Compare the losses that strikes, wildcat strikes and go slows can cause for employers and employees. (8)
6.2 Do you think that trade unions are in a position to contribute to sustainable growth and development in South Africa? Give reasons for your answer. (12)

[20]

Section B total: 40 marks

Section C: Financial literacy

Question 7

Ayushi has the following information in the accounting records of Kumar Traders on 31 October 2012. Ayushi uses a 25% mark-up on cost.

Balances on 1 October 2012: Debtors Control, R6 300; Sales, Rent income, R3 200; Trading stock, R5 400; Creditors Control, R4 100

Cash Receipts Journal for Kumar Traders for October 2012

Bank	Sales	Cost of sales	Debtors Control	Sundry acc
? (7.1)	? (7.2)	R43 200	R53 000	R40 300

(Included in the Sundry Accounts is R5 200 for Rent income).

Cash Payments Journal for Kumar Traders for October 2012

Bank	Trading Stock	Creditors Control	Sundry Accounts
? (7.3)	R109 050	R25 000	R6 100

(Included in the Sundry Accounts is R12 000 for new equipment purchased from Dominic Supplies.)

Creditors Journal for Kumar Traders for October 2012

Creditors Control	Trading stock	Equipment	Sundry Accounts
? (7.4)	R40 500	R8 650	R5 000

Creditors Allowances Journal for Kumar Traders for October 2012

Creditors Control	Trading stock	Equipment	Sundry Accounts
? (7.5)	R2 560	R0	R250

Debtors Journal for Kumar Traders for October 2012

Sales	Cost of sales
R118 800	? (7.6)

Debtors Allowances Journal for Kumar Traders for October 2012

? (7.7)	Cost of sales
R2 030	R1 525

Review Copy

7.1 Complete the information in the journals below. (7)

7.2 Post the information to the Trading stock and Debtors Control journals in the General Ledger.

	Trading Stock								

(15)

	Debtors Control								

(7)

	Creditors Control								

(8)
[30]

Question 8

Bongiwe has the following Trial Balance on 31 May 2012

Balance Sheet Section		
Capital		200 000
Bank	2 530	
Bank loan: Rabobank		50 000
Equipment	36 500	
Vehicles	126 400	
Trading stock	52 600	
Debtors Control	54 620	
Creditors Control		38 824
Drawings	40 000	
Nominal Section		
Sales		180 450
Cost of sales	100 250	
Debtors Allowances	9 820	
Wages and salaries	12 650	
Stationery	3 650	
Fuel	7 812	
Repairs	9 260	
Consumable stores	3 465	
Rent	4 580	
Telephone	5 137	
	469 274	469 274

Review Copy

8.1 Bongiwe does not know whether his business is doing well or not. His accountant has told him he made R23 826 profit but the difference between his cost of sales and sales is R80 200. Do you think his business is doing well? Give him advice on how he can improve his business. (10)

8.2 Bongiwe struggles to pay his accounts at the end of the month and keeps on having to use his bank overdraft facility. Can you assist him with advice on how he can change this situation? (8)

[18]

Question 9

Cindy is finding it difficult to do all the work when she has to use all the journals, post to all the ledgers and still draw up a trial balance. Give her advice on how she can do this in a methodical way. (10)

Section C total: 60 marks

Section D: Entrepreneurship

Question 10

10.1 Identify ONE fixed cost in a business selling boerewors rolls on the beachfront. (1)

10.2 Use the following information to calculate the variable costs per boerewors roll. (7)

Review Copy

Cost of one breadroll	30 cents
Sausages (R30 per kg with 9 pieces per kg)	
Margarine (R18 per 1kg tub, which will make 60 rolls)	
Onions (R6 per kg, which will make 30 rolls)	
Tomato sauce (R7.50 per bottle, which will make 25 rolls)	
Serviettes (R5 for 50)	
Total cost per roll	

10.3 Simeon adds 50% mark-up on cost. Calculate his selling price. (4)

10.4 Simeon sells his wors rolls for R11.00. His fixed costs are R150. Calculate his break-even point. Show all calculations. (12)

10.5 If Simeon manages to purchase cheaper wors, what effect will it have on his costs? (4)

10.6 What would happen to his break-even point if his fixed costs increased? (4)

[32]

Question 11

Simeon is not sure if he is offering the right product to customers. Give him advice on how he can find this out. (8)

Section D total: 40 marks

Total: 180 marks

Term 4 Additional year-end examination memorandum

Summary of topics and cognitive levels:

Section	Ques	Topic			Cognitive levels			Mark	Mark
		Econ	Fin Lit	Entrep	1	2	3		
A	1	2, 2, 2, 2	2, 2, 2	2, 2, 2	20			20	60
	2	2	2, 2	2, 2	10			10	
	3	2, 2, 2	2, 2, 2, 2	2, 2, 2	20			20	
	4	2, 2	2	2, 2	10			10	
B	5	20				2, 4, 8	6	20	40
	6	20				8	12	20	
C	7		32			7, 25		32	60
	8		18				10, 8	18	
	9		10				10	10	
D	10			32	1	7, 4, 12	4, 4	32	40
	11			8			8	8	
Actual marks		60	80	60	61	77	62		200
Actual %		30%	60%	30%	30.5%	38.5%	31%		
Required %		30%	40%	30%	30%	40%	30%		

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Section A

1.1 B – Planned economy
1.2 C – Mixed economy
1.3 D – Selling price × 100 ÷ (100 + mark up)
1.4 A – Administration
1.5 B – General management
1.6 A – Price increases
1.7 A – Creditors Allowances
1.8 B – Variable
1.9 A – Households
1.10 A – Trial balance

2.1 Break-even
2.2 Debit note
2.3 Mixed economy
2.4 Credit note
2.5 Production

3.1 C – Financial Institutions
3.2 I – Market economy

3.3 B – Asset +; Liabilities +
3.4 H – Asset +; OE + and Asset –; OE –
3.5 E – Analyses the profit that the business must make to be successful.
3.6 D – Source document used when purchasing goods on credit.
3.7 A – Analyses how the business will be structured and the resources that will be needed
3.8 J – Analyses the most suitable selling price that the customer will pay
3.9 G – Value the owner has in the business
3.10 F – Period of low economic activity

4.1 False
4.2 True
4.3 True
4.4 False
4.5 False

Section A total: 30 marks

Section B: Economy

5.1 They are goods which can replace other goods that are similar e.g. butter and margarine. ✓✓
5.2 If the price of one good, e.g. butter, drops✓✓ the demand for margarine will decrease. ✓✓ (6)
5.3 Mahindra has been left with all the shoes because he did not keep in touch with customer needs. ✓✓ The fashion changed before he had sold all his stock. ✓✓
He purchased too much stock of a fashion item, not considering that customers' tastes change quickly. ✓✓ If consumer tastes change e.g. due to new fashions or advertising they will affect demand at all prices✓✓ causing a change in demand and a shift in the curve.✓✓ (Max 6)
5.4 A mixed economy is a combination of a planned and a market economy. ✓✓
The government owns some resources that are necessary for all the people e.g. transport, healthcare. ✓✓ The people and businessess control the main resources of supply and demand. ✓✓
A planned system is one where the government owns all the resources. ✓✓ They decide what will be made and sold, and determining the price. ✓✓ (Max 8)
[20]

6.1 Possible losses to employers are:
- Raw materials used in the production process and unfinished products may spoil while the strike is on. They will have to be thrown away.
- Buyers may go to other businesses to find products because they cannot wait until the strike is over and production continues.

Possible losses to employees are:
- They will lose pay for the time that they are off work. This is called the no work, no pay principle.
- If the strikers are dismissed they will lose their income altogether.

(4 × 2 = 8)

6.2 • For growth to be sustainable it must be continuous and carry on year after

Review Copy

year in order to create new jobs every year for the growing population. ✓✓ At the same time, it should not have any bad effects on the environment and the communities. ✓✓

- Large trade unions can put a lot of pressure on the government to spend money on projects and services that will bring growth and development. ✓✓ For example, spending more money on improving infrastructure will create many new jobs and help with the development of transport and communication networks which are necessary for growth. ✓✓
- They can urge the government to increase spending on skills training of workers. ✓✓ For example, the government introduced a system called Skills Education and Training Authorities (SETAs) which assists with training workers in a variety of industries. ✓✓
- They ensure that workers are paid fair wages for their work✓✓ and this improves productivity in the workplace, which adds to growth. ✓
- They ensure good working conditions and safety in the workplace,✓✓ and this also improves productivity. ✓✓
- Through negotiations they can settle disputes in an orderly manner with employers. ✓✓ This reduces disruptions to work that would occur if workers were all negotiating as individuals. ✓✓ (Max 12)

[20]

Section B total: 40 marks

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Section C: Financial literacy

7.1 R147 300✓
7.2 R54 000✓
7.3 R140150✓
7.4 R54150✓
7.5 R2 810✓
7.6 R95 040✓
7.7 Debtors Allowances✓ (7)

Dr **Trading stock** **Cr**

2012 Oct	1	Balance	b/d	✓5 400	2012 Oct	31	Cost of sales✓	CRJ	✓43 200
	31	Bank✓	CPJ	✓109 050			Cost of sales ✓	DJ	✓95 040
		Creditors control ✓	CJ	✓40 500			Creditors control ✓	CAJ	✓2 560
		Cost of sales✓	DAJ	✓1 525			Balance	c/d	✓15 675
				156 475					✓156 475
Nov	1	Balance	b/d	15 675					

(15)

Debtors Control

2012 Oct	1	Balance	b/d	✓6 930	2012 Oct	31	Bank✓	CRJ	✓53 000
	31	Sales✓	DJ	✓118 800			Debtors Allowances✓	DAJ	✓2 030
							Balance ✓	c/d	70 700
				125 730					✓125 730
Nov	1	Balance	b/d	✓70 700					

(10)
[32]

8.1 Use discretion with learners' answers. They must give their opinion based on logical reasoning using the information in the Trial balance.
Sample answer:
I think his business is doing well as his profit is 11% return on his capital✓✓. He would not get this much if he invested his money in another investment. ✓✓ The different between cost of sales and sales is the mark up and not the profit. ✓✓ The profit is the difference between his income and his expenses. ✓✓ His profit is not very high as he has high expenses. ✓✓ He has withdrawn R40 000 in cash and goods. ✓✓ This means that his cash flow is affected and he has less stock to sell to customers. ✓✓ His wages is low compared to what he is spending on fuel and repairs. ✓✓ He must investigate why the repairs are so high and make a decision on how this can be reduced in future. ✓✓ He should find out why the goods are being returned and if it is poor quality, he need to source a different supplier. ✓
(10)

8.2 Use discretion as the learners must give their opinion using the information from the Trial balance.
Sample answer:
Bongiwe has withdrawn a lot of money which is affecting his cash flow. ✓✓ His debtors owe him a lot of money which is affecting his cash as well. ✓✓ He must be stricter about the amount of credit he allows customers ✓✓ and ensure that they pay their accounts on time. ✓✓ He could ask creditors to allow him a longer period to repay his debts. ✓✓ (Max 8)
[18]

9. The learners must give step-by-step instructions on how to work in a logical, methodical way to do this work.
Sample answer:
Cindy must first sort all the source documents into groups and in date order. ✓✓
Then she must select one group of source documents and enter these in the relevant journal ✓✓e.g. receipts, bank statement and CRT in the cash receipts journal. ✓✓
The information must also be entered in the individual debtors' and creditors accounts. ✓✓
When this is complete, she must continue in this way until all the source documents have been entered into all the relevant journals. ✓✓
At the end of the month, she must total the journals one at a time. ✓✓

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She must then take one journal at a time and post the information to the general ledger using folio references each time. ✓✓
She will repeat this until she has completed the posting of all the journals. ✓✓
Then she can draw up the trial balance from all the balances and totals and complete the debtors and creditors lists. ✓✓ (Max 10)

Section C total: 60 marks

Section D: Entrepreneurship

10.1 Rent of space, electricity (1)

10.2

Cost of one breadroll	0.40
Wors (R40 per kg makes 8 pieces per kg)	✓5,00
Margarine (R36 per 1kg tub which will make 60 rolls)	✓0,60
Onions (R6.00 makes 60 rolls)	✓0,10
Tomato sauce (R33 per bottle which will make 30 rolls	✓1,10
Serviettes (R6 for 60)	✓0,10
Total cost per roll	**✓✓R7,30**

(7)

10.3 R7,30 ✓+ 50%✓ = R10,95 ✓✓ (4)

10.4 TG: selling price ✓– variable costs✓ = gross profit/ mark up ✓
R11 – 7,30✓ = R3 70 Gross profit✓
Break-even point ✓= fixed costs ✓, ÷ gross profit✓ = R150✓ ÷ R3,70✓ = 40,5 = 41 rolls✓✓ (12)

10.5 Cheaper wors means his variable costs will decrease. ✓✓ He will have a higher profit if he keeps his selling price the same. ✓✓ His break-even point will decrease. ✓✓ (4)

10.6 His break-even point will increase. ✓✓ He will have to make more gross profit to cover these additional costs. ✓✓ (4)

[32]

11. Compare the primary and tertiary sector of the economy and how they relate to each other:
The primary sector is involved in extracting raw materials from the earth. ✓✓
This includes forestry, fishing, farming. ✓ The tertiary sectors is involved with any activity that gets the products to consumers. ✓✓ e.g. transport, insurance, banking. ✓ The tertiary sector is dependent on the primary sector to provide the raw materials which will become products. ✓ The primary sector is dependent on the tertiary sector to get raw materials to the secondary sector of the market. ✓✓
(Max 8)

Section D total: 40 marks
Total: 200 marks

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Examination terminology

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

advise use your knowledge on a topic to give advice
allocate place information where it belongs or group related information
analyse look at something carefully, break it up into logical parts, and explain these parts in a systematic and critical way, giving strengths and weaknesses
apply use your knowledge on a topic to address a problem or situation; often in case studies you have to apply what you have learnt to the case study as a particular example
assess check how well something has been done
build make a model or an object
bullet give facts in a few words, one below the other
calculate work out following a method
categorise sort out, putting things that are similar together
choose pick the best or most correct option from amoung many options given
classify group together things that are the same in some way
comment give an opinion about something
compare describe what is similar and what is different between two or more things
compile research, collect and put together information
conclude give a short interpretation of results or give a summary
consider look at the facts carefully
construct build, usually either an argument or a real object
contrast show how something is different
count add up, or give all the reasons or examples
debate research and then listen to and discuss all sides of an issue; give and defend your own view
deduce work out and draw a conclusion
define give the full meaning of something accurately, as in a dictionary
describe give the details and facts of something in full sentences without giving reasons
design lay out in a clear visual way; draw up a plan for something on paper, or make a model
differentiate show how something is different from another thing
discuss talk or write in detail about something, giving different ideas and arguments about the topic
distinguish show the difference between
draw show in a visual way
evaluate look at the facts carefully and form your own conclusion
examine look at something carefully
explain give the details of something in full sentences and give reasons
fill in complete the blank spaces with your written answers
find identify from amongst other options, or get relevant information
formulate write down an idea or a hypothesis in a way that explains it clearly
give reasons explain and use examples to justify

Review Copy

highlight show or point out
hypothesise develop a theory to explain something
illustrate give an example of what you mean or explain it visually
identify find, name and mention
indicate show
integrate put together in a way that makes sense
interpret work out the meaning
investigate follow a systematic way of analysing a problem to arrive at a proven conclusion
justify support or prove what you are saying by using reasons and examples
link show how one thing is connected or related to another thing
list write the names, numbers, or things asked for one below the other, each on a new line
match pair one item up with another item which it resembles or is related to
mention give or name in words
motivate show to be true by giving reasons or examples
name give what something is called with no explanation
number list information in a number format, or add consecutive numbers to something
organise order logically and neatly, or manage a process
outline give the main points only
plan decide and prepare in advance how, when, where and by whom something will be done
plot find or show on a graph using the x and y co-ordinates
point out give, show or highlight only the most relevant information
present give information in a well-prepared way
process take something through a series of logical or physical actions
prove give brief reasons why you have said something or how you arrived at an answer
quote repeat exactly what someone said or wrote
rate give something a value or mark
rank order information by importance
recall remember and give the information again
recap give the main points again
recognise identify or understand something when you see it
relate establish a link between one thing and another
research find, interpret and apply information from different sources
review do a formal assessment of something with a view to making changes if necessary
revise re-read or look over something again to prepare for a test or exam
select choose
sort order information according to the alphabet, by number, date or importance
state give, say, or write down the information asked for
suggest give ideas, solutions or reasons for something
sum up draw a short conclusion
summarise give the main points only and in brief, using sentence form, bullets or a visual tool such as a mind map
support use examples to prove what you have said
tabulate arrange information in columns and rows on a table, using very brief wording
test check your understanding
work out use a logical method to arrive at the answer

Review Copy