



# Education

Department:

Education

AMAJUBA DISTRICT

GENERAL EDUCATION AND TRAINING

Economic and Management Sciences

Grade 9

Mid-Year Controlled Test

2022

PAPER 1 – Financial Literacy

Duration: 60 Minutes

Marks: 50

This Question paper consists of 5 pages.

## INSTRUCTIONS AND INFORMATION

Read the instructions carefully follow them precisely

1. This paper consists of **THREE** sections.
2. All Sections are **COMPULSORY**.
3. This paper must be completed in 60 minutes.
4. Write neatly and legibly.
5. Answer **ALL** questions on the ANSWER BOOK provided.
6. Read the instructions for each question carefully and answer only what is required.
7. Use the mark allocation to determine the length of answers.
8. Except where other instructions are given, answers must be in full sentences.
9. You may only use a BLACK or BLUE ink pen.
10. Use the information in the table below as a guide when answering the question paper.

SECTION	QUESTIONS	MARK ALLOCATION	TIME ALLOCATION
<b>A</b> • Financial Literacy theory	1.1 Case study	13	16 Minutes
<b>B</b> • Financial Literacy / journals	2.1 Short Questions	6	7 Minutes
	2.2. Journals	10	12 Minutes
<b>C</b> • Financial literacy	3.1-3.2 concepts	7	9 Minutes
	3.3 Trial Balance	2	2 Minutes
	3.4 General ledger	3	4 Minutes
	3.5 Accounting equation	9	10 Minutes
<b>TOTALS</b>		<b>50</b>	<b>60 Minutes</b>

**Section A (Financial Literacy)**

**(13 Marks)**

**Question One**

**Read the case study below and answer the questions that follow**

Thabo Sithebe, a well know businessman is the owner of Home Zone. He buys and sells furniture at a mark-up of 50% on cost. He also allows his clients the benefit of buying goods on credit. He has been in the furniture business for the last five years and has become very successful. His best friend Ayanda has observed the businesses success and would like to join Thabo at Home Zone. Thabo, being the careful and considerate businessman is considering this offer. it would impact on his share of profits but would also aid in him raising extra capital for the business as he needs to invest in current and non-current assets.

- 1.1 Home Zone is regarded as a Service/Trading business (Choose ONE) (1)
- 1.2 Identify the Form of ownership that is Currently applicable to Home Zone. Provide a reason for your answer (2)
- 1.3 If Thabo accepts Ayanda's offer to join him at his business, Categorize the form of ownership it would be regarded as. (1)
- 1.4 Differentiate between current and non-current assets and provide ONE example of each (6)
- 1.5 Thabo recently bought a new table for R500. Using the profit mark-up Given in the case study above, calculate the Selling price of this table. (2)
- 1.6 "Thabo allows his clients to buy goods on credit." Name the journal in which we record credit sales. (1)



**Section B (Financial Literacy)**

**(16 Marks)**

**Question two**

**Journals**

**2.1 Refer to the advertisement below and answer the questions which follow.**



2.1.1 If you had to buy now and pay later, you would be owing the above business money. Explain who you would be regarded as to the business? (1)

2.1.2 Name the act that Governs and regulates credit transactions. (1)

2.1.3 Explain TWO reasons why businesses offer credit sales (2)

2.1.4 Discuss TWO advantages of credit sales for businesses. (2)

**(6)**

**2.2. Journals**

2.1 Cash receipts journal (4)

2.2 Cash Payments journal (2)

2.2.3 Debtors Journal (4)

After the sudden passing of his grandmother, Mr Titan learned that he had inherited R25000. Mr Titan always dreamt of opening his own trading business, where he would buy and sell antique furniture. On 15 May 2022 Mr Titan opened up his business. He contributed R10 000 as his capital contribution and used the rest of the money to buy stock. Mr Titan sells goods for cash as well as on credit. Use the transactions below to record the entries into the respective Journals.

**Nb: Mr Panther uses a mark-up of 25% on the cost.**

15 Bought goods from Gizmo Antiques for R6000.

17 Sold TWO antiques on credit to Beast boy at R 1000 each. Issued invoice 231.

21 Cash sale according to the cash register roll to Starfire R3000.

Mr Titan increased his capital contribution from R 10 000 to R 15 000. Issued receipt 02

23 Paid wages R600.

25 Received R2000 from Beast boy, as part payment of his account

30 Sold goods on credit to Robin R400.

**Section C (Financial Literacy)**  
**Question Three**

**( 25 Marks)**

3.1. Define the following concepts

3.1.1. Petty cash

(1)

3.1.2. Cash float

(1)

3.2 Choose the correct word from the word bank below and complete the statements that follow. Write only the correct answer next to the question number (3.2.1 – 3.2.5) in the ANSWER BOOK.

**monthly; expense; source documents; debit; income; asset; liability; credit; sales; daily**

3.2.1 Trading stock in the business" storeroom is classified as a/an \_\_\_\_\_.

3.2.2 The second step in the accounting cycle is \_\_\_\_\_.

3.2.3 Insurance is a / an \_\_\_\_\_ account.

3.2.4 Journals are completed on a \_\_\_\_\_ basis.

3.2.5 An asset will always increase on the \_\_\_\_\_ side.

(5)

3.3 Explain why a business would prepare a trial balance.

(2)

3.4 Fill in the missing information for the Trading stock account shown below

(3)

Dr.					TRADING STOCK				B7	Cr.			
Date		Details	F	Amount	Date		Details	F	Amount				
2020					2020								
MAY	1	Balance	b/d	15 000	MAY	31	(A)	DJ	5 000				
	31	Bank	CPJ	45 000			Cost of sales	CRJ	15 000				
		Cost of sales	DAJ	1 000			Balance	c/d	(C)				
				(B)									

3.5 Analyse the following transactions according to the table provided in your answer booklet.

(9)

3.5.1 Sold goods on credit to T Tom R6000 (cost R4000)

3.5.2 Bought Stock from ABC Hardware R 3000

GRAND TOTAL: 50 MARKS



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**AMAJUBA DISTRICT**

## GENERAL EDUCATION AND TRAINING

### Economic and Management Sciences Grade 9 Mid-Year Controlled Test 2022

## PAPER 1 ANSWER BOOKLET

NAME		GRADE	
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SECTION	QUESTIONS	MARK ALLOCATION	LEARNERS MARK	MODERATED MARK
<b>A</b> • Financial Literacy theory	1.1 Case study	13		
<b>B</b> • Financial Literacy / journals	2.1 Short Questions	6		
	2.2. Journals	10		
<b>C</b> • Financial literacy	3.1-3.2 concepts	7		
	3.3 Trial Balance	2		
	3.4 General ledger	3		
	3.5 Accounting equation	9		
<b>TOTALS</b>		<b>50</b>		



**Section A (Financial Literacy Theory)**

**(13 Marks)**

**Question One**

1.1. Home Zone is regarded as a Service/Trading business (Choose ONE)

(1)

1.2. Identify the Form of ownership that is Currently applicable to Home Zone. Provide a reason for your answer

(2)

1.3. If Thabo accepts Ayanda's offer to join him at his business, List the form of ownership it would be regarded as.

(1)

1.4. Explain to Thabo the difference between current and non-current assets and provide ONE example of each

CURRENT ASSETS

NON – CURRENT ASSETS

(3)

(3)

1.5. Thabo recently bought a new table for R500. Using the profit mark-up Given in the case-study above, calculate the Selling price of this table.

(2)

1.6. "Thabo allows his clients to buy goods on credit." Name the journal in which we record credit sales.

(1)

**Section B (Financial Literacy)**

**(16 Marks)**

**Question Two**

2.1.1. If you had to buy now and pay later, you would be owing the above business money.  
Explain who you be regarded as to the business?

(1)

2.1.2. Name the act that Governs and regulates credit transactions.

(1)

2.1.3. Discuss TWO reasons why businesses offer credit sales

(2)

2.1.4. Discuss TWO advantages of credit sales for businesses.

(2)



2.2. CASH RECEIPTS JOURNAL OF: TITAN ANTIQUES JUNE 2022 CRJ 4									
NO	DAY	DETAILS	FOL	ANALYSIS OF RECEIPTS	BANK	SALES	COST OF SALES	DEBTORS CONTROL	SUNDRY ACCOUNTS AMOUNT DETAILS

(4)

2.3. CASH PAYMENTS JOURNAL OF : TITAN ANTIQUES JUNE 2022 CPJ 4								
DOC NO	DAY	NAME OF PAYEE	FOL	BANK	TRADING INVENTORY	CREDITORS CONTROL	SUNDRY ACCOUNTS AMOUNT DETAILS	

(2)

2.4. DEBTORS JOURNAL OF: TITAN ANTIQUES JUNE 2022 DJ 4					
NO	DAY	DETAILS	FOL	SALES	COST OF SALES

(4)

**Section C (Financial Literacy)**

**(16 Marks)**

**Question Three**

3.1. Define the following concepts

3.1.1. Petty cash –

(1)

3.1.2. Cash float –

(1)

3.2. Choose the correct word from the word bank below and complete the statements that follow. Write only the correct answer next to the question number (3.2.1 – 3.2.5) in the answer book.

3.2.1.

(1)

3.2.2.

(1)

3.2.3.

(1)

3.2.4.

(1)

3.2.5.

(1)

3.3. Explain why a business would prepare a trial balance?

(2)

3.4. A-

B-

C-

(3)

(9)

NR	ACCOUNT DEBIT	ACCOUNT CREDIT	A=	O+	L
3.5.1					
3.5.2					

**Grand Total: 50 Marks**