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ECONOMIC AND MANAGEMENT SCIENCES
ACTIVITY BOOKLET – SUGGESTED ANSWERS
GRADE 8 – TERM 1

TOPIC 1: GOVERNMENT**ACTIVITY 1****MULTIPLE CHOICE**

- 1.1 1.1.1 A. Provision of water and sanitation. ✓✓
 1.1.2 C. Legislation to protect resources ✓✓
 1.1.3 D. Local Government ✓✓
 1.1.4 B. Legislative ✓✓
 1.1.5 C. regulate the operations of the municipalities. ✓✓

ACTIVITY 2

- 2.1.1 TRUE ✓
 2.1.2 FALSE ✓
 2.1.3 FALSE ✓
 2.1.4 FALSE ✓
 2.1.5 TRUE ✓

ACTIVITY 3

- 3.1.1 C ✓
 3.1.2 F ✓
 3.1.3 E ✓
 3.1.4 A ✓
 3.1.5 B ✓

ACTIVITY 4**SHORT QUESTIONS**

- 4.1.1 National Government ✓
 4.1.2 Department of Safety and Security ✓
 4.1.3 It is the group of people elected by citizens with supreme powers to manage, run and control the country at different levels. ✓✓
 4.1.4 Briefly explain any one branch of the government.
 • The Legislative: is to draft and pass laws in the country. Consists of the South African Parliament ✓✓
 • The Executive: is to execute or carry out laws. Consists of the President, Deputy President, and Ministers. ✓✓
 • The Judicial: is to interpret, implement laws and ensure justice is served. It consists of Magistrates, High, Supreme, and Constitutional courts. ✓✓

4.1.5 Discuss the role of government in respect of households.

4.1.5.1 As consumers of goods and services

- Provides public goods, such as food parcels and services, such as electricity, and water, to satisfy community needs. ✓✓
- Provides goods and services that are not provided by the business sector, e.g. Post office as it does not generate high income for businesses. ✓✓
- Provides subsidies for the production of basic foodstuffs like bread and milk because they are of necessity not luxury, and consumers will pay less for those goods. ✓✓
- Provides social grants to the disadvantaged (old aged, disabled, orphans, etc.) to enable them to buy goods and services ✓✓

(Any one of the above)

4.1.5.2 As producers of goods and services

- Offers financial assistance to new businesses, developing businesses and other exporting businesses. ✓✓
- Offers support and advice to businesses in the form of workshops, manuals, training, etc. ✓✓
- Passes laws that protect the rights of employers in their business activities, e.g. Labour Relations Act, Competition Act, Companies Act, etc. ✓✓
- Produces goods and services which businesses cannot produce, e.g. Broadcasting (SABC), electricity (ESKOM), transport (TRANSNET), etc. ✓✓

(Any one of the above)

4.1.6 Explain the success of the public sector in providing public goods and services to communities. (4)

The public sector IS successful in providing public goods and services because:

- More people have access to schools and medical services than before ✓✓
- More infrastructure has been built, for example, Gautrain, toll roads, and improved airports. ✓✓
- The South African defence force is protecting the people of South Africa as no major security incident has happened. ✓✓
- More people have access to social security grants including child support grants, foster care, pensions, social relief grants, etc. as part of poverty alleviation methods ✓✓

OR

The public sector is NOT successful in providing public goods and services because:

- The standard of education and health care is still not able to compare with other developed countries. ✓✓
- The unemployment rate is above 30% which is high compared to most developing countries. ✓✓

- The poverty level is still high in South Africa leading to high government expenditure on social grants ✓✓
- Many South Africans still do not have access to basic goods and services like electricity, water, and sewerage. ✓✓
- The crime rate in South Africa is amongst the highest in the world which indicates the lack of an efficient police force. ✓✓

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ACTIVITY 5

5.1

5.1.1 Identify the branch of government shown in the above picture. (1)

- Judiciary ✓

5.1.2 Name any one metropolitan municipality found in SA. (1)

- Ekurhuleni ✓ / Buffalo City ✓ / Nelson Mandela Bay ✓ / eThekweni Municipality ✓ / City of Johannesburg ✓ / City of Tshwane ✓ / City of Cape Town ✓ / Mangaung Metropolitan Municipality ✓

5.1.3 Describe the term public goods. (2)

- Goods that are available for use for everybody and one person's usage do not diminish availability to others. ✓✓

5.1.4 Explain one role of the government in assisting businesses. (2)

- Provide infrastructure (transport) in a form of roads, bridges, harbours, airports, etc, for businesses to use in their business activities. ✓✓
- Protect natural resources which will be used by businesses in the production of goods and services, e.g. protection of forestry- businesses use it to produce furniture. ✓✓
- Offer financial assistance to new businesses, developing businesses, and other exporting businesses. ✓✓
- Offer support and advice to businesses in the form of workshops, manuals, training, etc. ✓✓
- Pass laws that protect the rights of employers in their business activities, e.g. Labour relations act, competition act, companies act, etc. ✓✓

(Accept any one correct and relevant response)

5.1.5 Differentiate between the judicial and executive branches of the government.

(4)

- The Executive branch executes or carries out laws. Consists of the President, Deputy President, and Ministers. ✓✓ whereas
- The Judicial branch interprets implements laws and ensures justice is served. It consists of Magistrates, High, Supreme, and Constitutional courts. ✓✓

5.1.6 Suggest two ways to improve service delivery by the government in the economy. (4)

- The government can improve service delivery by:
 - increasing government spending on public goods and services provision ✓✓
 - Employing people according to skills, competence levels, and qualifications to achieve efficiency. ✓✓
 - Providing leadership workshops and training to increase productivity. ✓✓
 - Holding officials accountable when it comes to deadlines and achieving targets. ✓✓
 - Ensuring transparency with finances and monitoring of government projects for quality assurance. ✓✓
- (Accept any other correct response)

ACTIVITY 6

6.1 Explain what is meant by the term Government. (2)

It is the group of people with supreme powers to manage, run and control the country at different levels.

- If this group of people is elected by citizens, it is called a democratic government.
- The one that is not elected is called an autocratic government (dictatorship).

6.2. What are government's five economic objectives? (5)

6.3 Complete the table below by filling in the relevant information regarding the levels of government. Just write the answer next to the question number in the answer sheet.

LEVEL OF GOVERNMENT	THIS LEVEL DEALS WITH:	EXAMPLES
Local government	6.3.1 It is responsible for the running of the municipality and is funded by the provincial government.	Electricity delivery
6.3.2 Provincial Government	Economic issues that are specific to a given region.	6.3.3 Procurement of School Resources
6.3.4 National Government	6.3.5 It is responsible for the running of the province and is funded by the national government.	Safety and security

6.4 Discuss the role of the government in assisting the households as consumers of goods and services. Any three (3). (3)

- ⊙ Provide public goods (food parcels) & service (electricity) to satisfy community needs.
- ⊙ Provide goods and services that are not provided by the business sector, e.g. Post office as it does not generate high income for businesses.
- ⊙ Provide subsidies for production of basic foodstuff like bread and milk because they are of necessity not luxury, consumers will pay less for those goods.
- ⊙ Provide social grants to the disadvantaged (old aged, disabled, orphans, etc) to enable them to buy goods and services.

6.5 Explain how the government can be both a producer and a consumer in respect to its relationship with business. (4)

GOVERNMENT ROLE IN ASSISTING BUSINESSES as producers of goods and services

- ⊙ Offer financial assistance to new businesses, developing businesses and other exporting businesses.
- ⊙ Offer support and advice to businesses in the form of workshops, manuals, training, etc.
- ⊙ Pass laws that protect the rights of employers in their business activities, e.g. Labour relations act, competition act, companies act, etc.
- ⊙ Produce goods and services which businesses cannot produce, e.g. Broadcasting (SABC), electricity (ESKOM), transport (TRANSNET)

GOVERNMENT ROLE IN ASSISTING BUSINESSES as consumers of goods and services

- ⊙ Provide infra-structure (transport) in a form of roads, bridges, harbours, airports, etc, for businesses to use in their business activities.
- ⊙ Provide infra-structure (services) in a form of traffic control, police control, fire brigade, hospital medical assistance, etc.
- ⊙ Provide infra-structure (water, electricity, sanitation) to create conducive environment for business to operate.
- ⊙ Protect natural resources which will be used by businesses in production of goods and services, e.g. protection of forestry-businesses use it produce furniture.

TOPIC 2: NATIONAL BUDGET**ACTIVITY 1****MULTIPLE CHOICE**

- 1.1 1.1.1 **B. Taxes ✓**
- 1.1.2 **C. Minister of finance ✓**
- 1.1.3 **C. April to March ✓**
- 1.1.4 **B. Policy ✓**
- 1.1.5 **B. Ministers, state departments, and the Governor of the reserve bank ✓**
- 1.2 State whether the following statement True or False
- 1.2.1 The state institution that collects tax from all taxpayers is SABS. (1)
False ✓
- 1.2.2 The current minister of finance is Mr. Bheki Cele. (1)
False ✓
- 1.2.3 The national deficit is when national revenue exceeds national expenditure. (1)
False ✓
- 1.2.4 Indirect taxes are taxes charged on the sale of goods and services. (1)
True ✓
- 1.2.5 Vat and import duties are known as indirect taxes (1)
True ✓

ACTIVITY 2

- 2.1 Name and explain any indirect tax. (1)
• Name any indirect tax, for instance VAT and explain.
- 2.2 Differentiate between direct and indirect tax (4)

DIRECT TAX	INDIRECT
Taxation that cannot be shifted or passed onto someone else.	Indirect taxes are taxes charged on the sale of goods and services.
A tax imposed on a person or company.	A tax imposed on a transaction.
Examples are income tax, company tax, and property tax ✓✓	Examples are value, fuel tax, and import tax ✓✓

- 2.3 List five supplies that are charged Vat at Zero percent (5)
• Brown Bread, milk, fruits, beans, fish, cooking oil, etc. (1x5)
any relevant answer

- 2.4 Explain how zero-rated supplies can address inequality and poverty. (2)
- Individuals and households who are low-income earners can afford essential goods and services. ✓✓
- 2.5 Define the concept National Budget (2)
- A document that gives a detailed breakdown of government income and expenditure for the next year ✓✓

ACTIVITY 3

- 3.1 List products on which sin tax is charged. (2)
- Tobacco ✓
 - Fermented liquor ✓
 - Distilled spirit ✓
- 3.2 Define the term sin tax (2)
- It refers to taxes charged on selected products such as tobacco and alcohol ✓✓
- 3.4 Discuss the importance of imposing a sin tax on selected products. (2)
- Healthy purposes by reducing the consumption or use of the harmful product ✓✓

ACTIVITY 4

- 4.1 How does the national budget work? (2)
- The budget allocates money between three spheres of government based on collected revenue ✓✓
- 4.2 Write down two reasons why fiscal transparency is a good thing. (2)
- Ensuring fiscal discipline ✓✓
 - Managing fiscal risk and opportunities for corruption ✓✓
 - Allows for assessment of government financial position and true cost and benefit of government activities ✓✓

Accept any two

- 4.3 List five government expenditure (5)
- Education ✓
 - Health ✓
 - Safety and security ✓
 - Social development ✓
 - Housing RDP ✓
 - Sports and recreation ✓

4.4 Do you think the national budget will influence economic growth and redress inequality? Provide reasons for your answer (10)

- The national Budget is the most important instrument of fiscal policy that the government can use to shape or stimulate economic growth ✓✓
- To achieve this, the government has to make sure more goods and services are produced. ✓✓
- To stimulate economic growth, the government has to spend its money in such a way that it encourages new businesses to be established and existing businesses to expand their output. ✓✓

Some of the strategic priorities for growth and development include:

- Encourage private investment. ✓
- Encourage entrepreneurship ✓
- Infrastructure development ✓

Strategies for redressing economic inequalities:

- Social grants to almost a third of South Africa's population ✓
- Free health services to the poor ✓
- Housing, water, electricity in poor communities ✓

ACTIVITY 5

- 5.1 Briefly explain how can tax relief help to support economic recovery. (2)
- To attract more investors to increase economic growth development.
 - It can help businesses to create more job opportunities ✓✓
- 5.2 Describe the effect of tax on the price of goods and services. (2)
- Tax will increase the price of goods and services ✓✓
- 5.3 Discuss the influence of reducing corporate tax on economic growth (4)
- To reduce the cost of production ✓✓
 - Which will increase the production of goods and services ✓✓
 - Creating more job opportunities ✓✓
 - To attract more investors to increase economic growth and development. ✓✓

TOPIC 3: STANDARD OF LIVING

ACTIVITY 1

- 1.1. Differentiate between modern and rural societies. (4)

MODERN SOCIETIES	RURAL SOCIETIES
It is based on the buying and selling of goods/services to satisfy needs. ✓✓	People produce their own goods/ services to satisfy their needs. ✓✓
People have a higher standard of living.	People have a lower standard of living.
Make use of technology	Use few or no technology.
Situated in cities or just outside of cities	Any other relevant differences

- 1.2. Suggest two challenges rural societies are confronted with.
- Poverty✓✓
 - Unemployment ✓✓
 - Low level of education and training✓✓
 - Underdeveloped infrastructure✓✓ (4)
- 1.3. Recommend four ways how people can use resources productively to promote a healthy environment.
- Recycling✓✓
 - Re-use✓✓
 - Reduce✓✓
 - Do not pollute✓✓
 - Do not waste water – e.g. install water tanks to catch rain water✓✓
 - Use electricity sparingly – e.g. switch non-essential appliances off when it is not needed✓✓ (8)
- 1.4. Suggest four disadvantages of development on the environment.
- Natural resources are misused or used unproductively. ✓
 - Pollution destroys animals' habitats as well as flora and fauna. ✓
 - Pollution can cause sicknesses and epidemics✓
 - Increased effect of global warming✓ (4)
- 1.5. In which societies will people usually have a higher standard of living? Give a reason for your answer.
- Modern societies✓✓
 - There are more employment opportunities in modern societies which mean that people can earn higher salaries with which they can satisfy their needs. ✓✓ (4)

ACTIVITY 2

- 2.1.1 Identify the three societies from the pictures above. (3)

Picture A:	Rural Society
Picture B:	Modern/ Urban Society
Picture C:	Self Sufficient Society

- 2.2 Explain how pollution can have a negative impact on the environment. (2)

Pollution can affect the health of the society and in turn impact their productivity
Air pollution impact visibility and blocking the sunlight causing acid rain and harming forests, wildlife and agriculture
Greenhouse gas pollution, the cause of climate change, affects the entire planet

2.3.1 Explain in your own words the concept 'standard of living'. (2)

This refers to the people's way of living. Lifestyles of people differ from place to place, from time to time and from one community to another

2.3.2 Mention two characteristics of modern society (4)

There is high level of economic activities as businesses specialise in production of goods and services.

- They satisfy all types of needs, i.e. primary, secondary and tertiary needs.
- Consumers do not always know producers of what is being consumed
- They have made life easier through electricity, water taps, all kinds of transport, etc.
- Education of their children is formalised through schools, teachers, textbooks, etc.
- They trade in the country and across the borders of the country.
- They live in big cities and towns because they earn high incomes.

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ACTIVITY 3

3.1 List **THREE** ways you can reduce your carbon footprint immediately.

- Stop buying water in plastic
- Incorporate walking or biking to some of your regular short trip destinations
- Turn of lights and unplug devices when not using them
- Keep car tyres properly inflated and get regular time ups
- Eat more food that is grown or made locally and less red meat
- Use the cold water cycle for washing your clothes
- Drive efficiently

(3)

3.2 Explain the term carbon footprint.

Is a calculated value or index that makes it possible to compare the total amount of greenhouse gases that an activity, product, company or country adds to the atmosphere. **(1)**

TOPIC 4: ACCOUNTING CONCEPTS**ACTIVITY 1**

Answers
1. O ✓
2. K ✓
3. R ✓
4. I ✓
5. Q ✓
6. N ✓
7. B ✓
8. P ✓
9. G ✓
10. E ✓
11. C ✓
12. D ✓
13. H ✓
14. F ✓
15. J ✓
16. M ✓
17. A ✓

ACTIVITY 2:**(5)**

State whether the following are **True** or **False**.

No.	Statement	True or False
2.1.	Accounting is systematic recording of transactions	True
2.2.	Income is money spent on the business	False
2.3.	An asset is money owed to other businesses	False
2.4.	Net worth is Total assets less Total liabilities	True
2.5.	An auditor checks if the books of the business are compliant to accounting principles	True

ACTIVITY 3:

Use the list of words provided to complete the following statements. Write only the answers next to the question numbers.

income, capital, three, expense, liabilities, interest, asset, four

- 3.1 The government has THREE levels
- 3.2 Equipment is an ASSET of the business
- 3.3 Rent paid is an EXPENSE for business.
- 3.4 The monies owed by a business to others are known as LIABILITIES
- 3.5 Monies received by the business is known an INCOME

TOPIC 5: SOURCE DOCUMENTS**ACTIVITY 4:**

Identify the source document that will be used in each transaction.

- 4.1 Paid for stationary bought via the internet.

BANK STATEMENT

- 4.2 Received money from a tenant for rent issue a receipt.

RECEIPT

- 4.3 Deposited money received from a costumer for services rendered.

BANK STATEMENT

- 4.4 Record the interest received on the bank account.

BANK STATEMENT

- 4.5 Paid telephone account after money was drawn at the ATM.

BANK STATEMENT

(5 x1=5)

ACTIVITY 5:

Study the Receipt and answer the questions that follow:

5.1 Name the Business receiving the money. (1)

ABC DEALERS

5.2 Who is paying the money to the business? (1)

MR MAROLE

5.3 On what date did the transaction take place? (1)

5 MARCH 2020

5.4 Why does the receipt have a pre-printed number? (1)

SO THAT THOROUGH RECORDS CAN BE KEPT

5.5 Give the reason why the business received the money? (1)

FOR THE SERVICE OF MAINTANCE RENDERED.

