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AQUAM SEPARE MENTEM

SASTRI COLLEGE
DEPARTMENT OF BCM
SEPTEMBER CONTROLLED TEST - 2018
ECONOMIC AND MANAGEMENT SCIENCE
GRADE: 8

EXAMINER: B.S.PATEL**MODERATOR: R.KHAN****MARKS: 100****TIME: 1 HOUR**

1. THIS QUESTION PAPER CONSISTS OF TWO PRINTED PAGES AND HAS FIVE QUESTIONS.
2. USE THE MARK ALLOCATION AND NATURE OF EACH QUESTION TO DETERMINE THE LENGTH AND DEPTH OF AN ANSWER.
3. PAY ATTENTION TO NEATNESS, HANDWRITING AND LANGUAGE
4. A SPECIAL ANSWER BOOK IS PROVIDED. USE THE FORMAT PROVIDED TO ANSWER THE QUESTIONS.
5. THE USE OF A CALCULATOR IS ALLOWED.

QUESTION 1: (12 MARKS)

MATCH EACH OF THE STATEMENTS IN COLUMN A WITH THE TERMS IN COLUMN B.
WRITE ONLY THE LETTER NEXT TO THE NUMBER ON THE ANSWER BOOKLET

COLUMN A		COLUMN B	
1.1	States the main business activity of a close corporation	A	Expenses
1.2	Stationery, consumable stores, advertising	B	Accounting equation
1.3	Team that manages a company	C	Sole trader
1.4	Assets = Owner's equity + Liability	D	Founding statement
1.5	Raises capital by selling shares	E	Board of Directors
1.6	Suited to informal traders and retail stores	F	Private and public company

QUESTION 2: (10 MARKS)

INDICATE WHETHER THE FOLLOWING STATEMENTS ARE TRUE OR FALSE.
WRITE ONLY THE LETTER NEXT TO THE NUMBER ON THE ANSWER BOOKLET

- 2.1 Close corporations are still the most suitable form of ownership for persons who wants to start a business and protect their possessions.
- 2.2 A maximum of 50 members can form a close corporation.
- 2.3 Premiums are the remuneration received by shareholders.
- 2.4 A partnership does not pay taxes.
- 2.5 Sustainability would imply the continued existence of a business despite the challenges and threats it faces.

QUESTION 3: (20 MARKS)

ANALYSE THE FOLLOWING TRANSACTIONS ACCORDING TO THE TABLE PROVIDED IN YOUR ANSWER BOOKLET.

- 3.1 The owner, Allen Grey, deposited an amount of R150 000 into the business bank account as his start-up capital for the business.
- 3.2 He purchased R35 000 worth of electrical equipment from Light It Up CC and paid by cheque.
- 3.3 Allen Grey installed a geyser into the home of one of his clients and charged R6 500 for services provided.
- 3.4 He paid wages to one of his workers and paid cash, R2 500.
- 3.5 Allen Grey withdrew an amount of R2 000 for his personal use.

QUESTION 4: (28 MARKS)**FAST AND FURIOUS SPORTS CARS LTD**

A. Ally and B. Baba recently opened Fast and Furious Sports Cars. They had an equal share in the business.

Soon they realised that they could not manage the business by themselves, as they did not have enough funds to meet the growing consumer demand. They decided to incorporate and sell shares.
The business is now called Fast and Furious Sports Cars LTD.

Residents of a nearby town have complained about the noise levels and pollution coming from their factory production processes.

- 4.1** Name the type of ownership: (2)
- 4.1.1** before they decided to sell shares
- 4.1.2** after they decided to sell shares
- 4.2** The form of ownership identified in 4.1.1. above would involve "unlimited liability".
What do you understand by this concept. (2)
- 4.3** Give **TWO** examples of typical provisions/information contained in a partnership agreement. (4)
- 4.4** Describe **TWO** advantages of each of the following: (4)
- 4.4.1** Partnership (4)
- 4.4.2** Public Company
- 4.5** Describe **TWO** important differences between a private company and a public company. (8)
- 4.6** Explain how Fast and Furious Sports Cars Ltd should address environmental issues to maintain sustainability. (2)
- 4.7** Businesses have an important role to play in creating sustainable jobs for the economy.
Based on the scenario above explain how Fast and Furious Sports Cars Ltd have contributed to sustainable job creation. (2)

QUESTION 5: (30 MARKS)

Jabu Shezi has Spotless Dry Cleaning Service business.

- Enter the transactions in the **Cash Receipts Journal** and **Cash Payments Journal** for September 2018.
Use the headings provided.
- Cast the journal end of the month.

TRANSACTIONS:

- 1 Jabu started his business by depositing R280 000 from his personal savings account to the cheque account of the business as his capital contribution. (receipt 001)
- 5 Paid R550 to Daily News for advertising. (cheque 001)
- 8 Purchased a delivery van from Ian Motors, R95 000. Paid by cheque.
- 12 Paid Telkom R350 for telephone contract. Payment was effected by EFT.
- 15 Received R2 500 cash for doing laundry. (CRT 001)
- 20 Cash cheque was drawn for wages, R1 200.
- 22 Issued a receipt to a tenant, N. Noels, for R3 400.
- 28 Paid R800 to The Fix Tyres for fixing a tyre puncture. Issued a cheque.