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MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

ECONOMIC AND MANAGEMENT SCIENCES

GRADE 8

TERM 2 - PAPER 1 (FINANCIAL LITERACY)

Marks:50

Time:60 minutes

INSTRUCTIONS AND INFORMATION

This question paper consists of **FOUR Questions**.

Answer **ALL** the questions on the **ANSWERBOOK** provided.

Write neatly and legibly.

	Questions	Topic	Time	Marks	
Section A:	Question 1.1	Multiple Choice	5 minutes	5	Grand Total 50
	Question 1.2	Complete the Sentences	5 minutes	5	
	Question 1.3	Match the Columns	5 minutes	5	
	Sub-Total A:		15 minutes	15	
Section B:	Questions 2	Accounting Cycle	5 minutes	5	
	Questions 3	Source Documents	7 minutes	7	
	Sub-Total B:		12 minutes	12	
Section C:	Questions 4.1	Cash Receipts Journal	20 minutes	13	
	Questions 4.2	Accounting Equation	13 minutes	10	
	Sub-Total C:		33 minutes	23	

SECTION A**SECTION A: ALL TOPICS****QUESTION 1****(5 MINUTES)****1.1. MULTIPLE-CHOICE QUESTIONS**

Various options are provided as possible answers to the following questions.

Choose the correct answer and write only the letter **(A – D)** next to the question number **(1.1.1. – 1.1.5)** in the **ANSWERBOOK** provided **E.g.** 1.1.6 - D.

- 1.1.1 The amount of money the owner(s) contribute to start or expand a business. (1)
 A. capital
 B. drawings
 C. cash invoice
 D. loan
- 1.1.2 _____ refers to money owed to other businesses, financial institutions or persons other than the owner of the business. (1)
 A. debit
 B. liabilities
 C. landlord
 D. customers
- 1.1.3 The payment received from a tenant is known as _____. (1)
 A. rent expense
 B. rent income
 C. current income
 D. commission income
- 1.1.4 The share of the owner in the business is known as _____. (1)
 A. expense
 B. owners' equity
 C. capital
 D. drawings
- 1.1.5 _____ are assets that can be converted into cash within a year. These are assets of a temporary nature. (1)
 A. current assets
 B. fixed assets
 C. non-current assets
 D. long-term assets

[5x1=5]

1.2 COMPLETE THE SENTENCES**(5 MINUTES)**

Use the word bank below to complete the following sentences. Write only the words in the space provided in the **ANSWERBOOK**.

telephone account source document drawings liabilities payment $A = OE + L$
trading stock owners' equity $OE = A + L$ asset bank statement debit card

- 1.2.1 The Accounting Equation is stated as _____. (1)
- 1.2.2 A/an _____ is a document issued by a bank to the account holder at the end of the month as a record indicating all transactions and the final balance for the specific account. (1)
- 1.2.3 All transactions have to be recorded on a/an _____ as proof that the transaction took place. (1)
- 1.2.4 _____ is an example of a current asset. (1)
- 1.2.5 Payment of the telephone account of the owner's wife is recorded as _____ in the books of the business. (1)

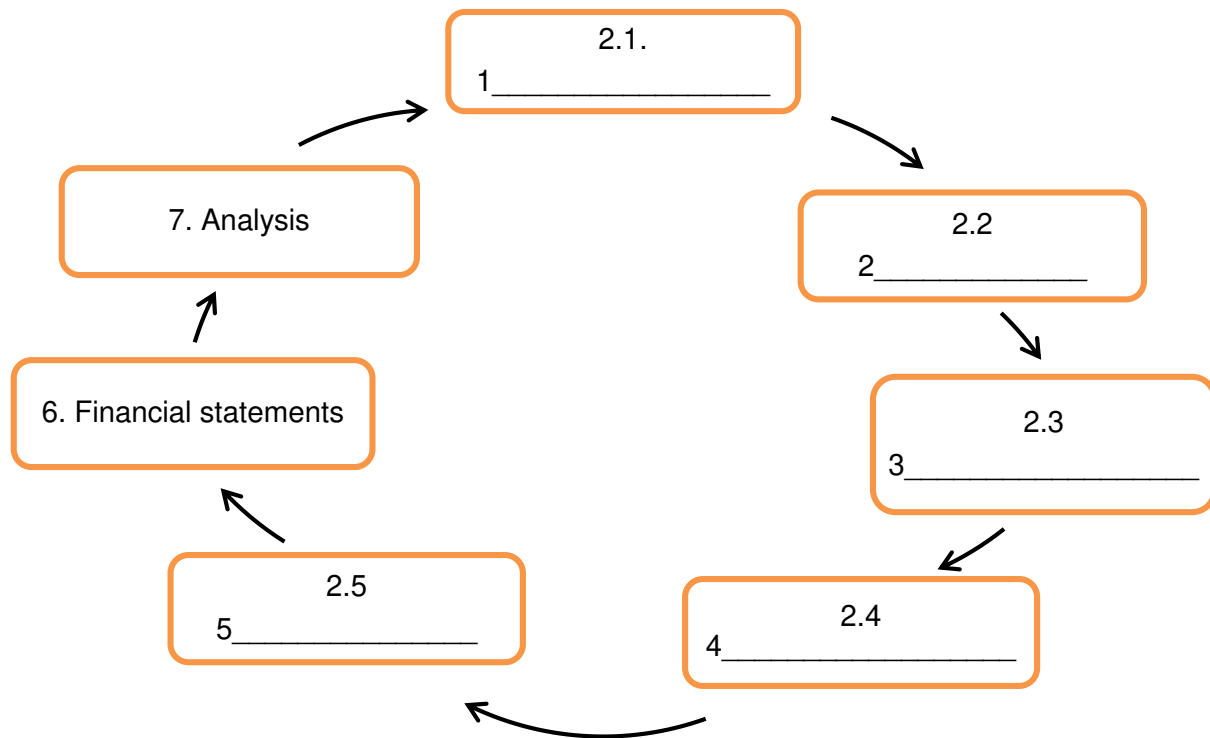
1.3 MATCH THE COLUMNS**(5 MINUTES)**

In your **ANSWERBOOK**, match the concept in **Column A** to the description in

Column B. E.g. 1.3.6 – K**(1x5=5)**

Column A		Column B	
1.3.1	Close-off	A.	The term used when money is transferred or paid to another bank account using an online network.
1.3.2	ATM	B.	Books of first entry wherein transactions are recorded on a daily basis.
1.3.3	Subsidiary Journals	C.	To total the columns of the subsidiary journals at the end of the month.
1.3.4	Current income	D.	Cash used to make small payments on a daily basis, example: buy milk and bread, delivery.
1.3.5	Electronic Fund Transfer	E.	They are permanent in nature, can be used over a long period of time and not meant to be resold within a period of a year.
		F.	Main source of income for a service business
		G.	A machine that performs basic banking function such as handling cash deposits, cash withdrawals and printing the bank statement.

[5x1=5]**TOTAL SECTION A: 15**

SECTION B**QUESTION 2 ACCOUNTING CYCLE****(5 MINUTES)****2.1** Fill in the Accounting Cycle (**Step 1 – 5**) to illustrate the accounting process. (1x5=5)**[5x1=5]****QUESTION 3 SOURCE DOCUMENTS - Receipt****(7 MINUTES)**

Complete a receipt for a client using the below transaction.

Date:	Transaction:
6 April 2024	A tenant, Theko Nkosi, paid their monthly rent of R4 500 to the company secretary, Linda Jones. Receipt 21 was issued.

[7x1=7]**TOTAL SECTION B: 12**

SECTION C**QUESTION 4: CASH RECEIPTS JOURNAL AND ACCOUNTING EQUATION****4.1 CASH RECEIPTS JOURNAL**

Complete the Cash Receipts Journal (**CRJ 4**) of ***Springs Dry Cleaners*** for the month of **April 2024** **(20 MINUTES)**

- **Close-off** the journal.

Day Transactions:

- 1 The owner, Mrs. King contributed R65 000 as her capital contribution towards the business. She deposited the money directly into the business current account. Issued Receipt 7.
- 2 Received R7 800 from customers for dry cleaning services. CRR 047
- 9 Wash the curtains and tablecloths of a local bed and breakfast, R4 900. (CRR 048)
- 15 Lesedi Pule, a tenant, paid R6 700 for renting part of the building as her office space. She deposited the money directly into the business current account.
- 30 Received R5 000 donation from Springs Business Forum. Issued a receipt.

[13]

4.2 ACCOUNTING EQUATION**(13 MINUTES)**

Show the effect of the transactions on the **Accounting Equation** of ***Springs Dry Cleaners*** for the month of **April 2024**.

Day	Transactions:
E.g 27	Received a donation from Springs Business Platform, R10 000. Issued Receipt 11.
1	The owner, Mrs. King contributed R65 000 as her capital contribution towards the business. She deposited the money directly into the business current account. Issued Receipt 7.
3	Received R7 800 from customers for dry cleaning services. CRR 047
15	Lesedi Pule, a tenant, paid R6 700 for renting part of the building as her office space. She deposited the money directly into the business current account.

(10)**TOTAL SECTION C: 23****GRAND TOTAL: [50]**