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ECONOMIC AND MANAGEMENT SCIENCES
GRADE 8
TERM 1
EXEMPLAR CONTROLLED TEST
STANDARDS OF LIVING, ACCOUNTING CONCEPTS AND SOURCE
DOCUMENTS
MEMORANDUM

DURATION: 60 Minutes

TOTAL: 50 Marks

SECTION A

QUESTION 1

MATCHING ITEMS

Match the words in column A with their meanings in Column B. Write only the correct letter in the Answer Column below.

Column A	Column B
1.1. Fixed Asset	A. The situation that occurs when people are without jobs and they are actively looking for work but are unable to find any
1.2. Current Liabilities	B. When the owner of the business takes money or goods from the business for personal use.
1.3. Standard of living	C. Debts that have to be paid off within one year
1.4. Unemployment	D. Land and Buildings
1.5. Drawings	E. The degree of wealth and material comfort available to a person or community.

1.1	1.2	1.3	1.4	1.5
D✓	C✓	E✓	A✓	B✓

(5 x 1) [5]

QUESTION 2

TRUE OR FALSE

State whether the following statements are **True or False**. Write down only True or False in the answer space below.

- 2.1. Source documents are the first documents on which a transaction is recorded.
- 2.2. A business owned by one person is a sole trader.
- 2.3. There is a high level of industrialisation in the rural societies.
- 2.4. The money that a business receives from providing a service is called “wealth”.
- 2.5. Owner’s Equity is the amount of money invested in a business by the owner.

2.1	2.2	2.3	2.4	2.5
TRUE✓	TRUE✓	FALSE✓	FALSE✓	FALSE✓

(5 x 1) [5]

Total Section A: 10

SECTION B THE ECONOMY

QUESTION 3 STANDARDS OF LIVING

3.1. Study the following pictures and answer the questions that follow.



Picture “A”



Picture “B”

Identify the types of countries that the two pictures represent.

(2)

Picture A – Developed Countries ✓

Picture B – Developing Countries ✓

3.2. Differentiate between a rural society and a modern society in terms of the following characteristics:

(4)

Characteristic	Rural society	Modern society
Housing	Poor – Overcrowded, lack basic services like water ✓	Well built and developed – Has basic services. However, informal settlements lack basic services ✓
Public services	Clinics, schools and libraries are in short supply ✓	People have access to clinics, hospitals, schools and most other government services ✓

3.3. Explain the meaning of the word “Infrastructure”.

(2)

These are physical resources such as roads, harbours, rail transport system and public transport. ✓✓

3.4. What do you think would be a disadvantage of living in a modern society? (1)

- Pollution ✓
- Traffic congestion
- Crime
- Over crowding

3.5.



3.5.1. Mention ONE negative effect that unemployment has on South Africans. (1)

- Many people living in poverty ✓
- Plenty of crime
- Substance / Alcohol abuse
- Domestic violence
- Depression
- Accept any other valid answer

3.5.2. Explain **two** strategies that could be used to reduce unemployment in South Africa. (4)

- By encouraging entrepreneurship – by encouraging individuals to start their own businesses and create their own jobs ✓✓
- By promoting industrial development – government can encourage existing businesses to invest more money in capital equipment ✓✓
- Building infrastructure – government can build roads, harbours, airports, etc, thus creating jobs
- Improving education and training – makes it easier for people to find jobs if they are educated and have skills

5.2. State **one** way in which economic development has a harmful effect on the environment. (1)

- Trees get cut down to make paper and furniture ✓
- Pollution – water, air and noise
- Over fishing

Total Section B: 15

SECTION C

FINANCIAL LITERACY

QUESTION 5

ACCOUNTING CONCEPTS

5.1. Next to each of the following accounts, show what kind of account it is by placing a (X) in the correct column.

No.	Item	Assets	Liabilities	Owners Equity	Expenses	Income
5.1.1.	Vehicles	X ✓				
5.1.2.	Loan from a bank		X ✓			
5.1.3.	Sale of goods					X ✓
5.1.4.	Water and electricity				X ✓	
5.1.5.	Capital			X ✓		

(5)

5.2. Write down the formula for the Accounting Equation.

(3)

ASSETS ✓ = OWNERS EQUITY ✓ + LIABILITIES ✓

5.3. Choose the correct option. Write only the correct letter in the space provided.

The following is not a commercial bank of South Africa:

(2)

(A)



(B)



(C)



(D)



C ✓✓

5.4. Mention two services that a business would use / go to a bank for.

(2)

- To make deposits ✓
- To withdraw money ✓
- By writing out cheques
- Transact on the account using an ATM card
- By doing Internet Banking transactions

5.5. Differentiate between an asset and a liability. (4)

- Asset –
Anything of value that is owned by a business. ✓✓
Possessions of a business
- Liability –
Items or money owed by a business ✓✓

5.6. The following figures belongs to Nix Services:

Income = R 15 000

Expenses = R 12 500

Calculate the profit or loss made by this business. (2)

Amount :

$$R15\,000 - R12\,500 = R2\,500 \checkmark$$

Profit or Loss?

Profit ✓

(18)

Question 6.....

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QUESTION 6

SOURCE DOCUMENTS

Study the following document and answer the questions that follow:

Number <u>56</u>	Date: <u>25/09/20.1</u>				
Received from: Lynette's Laundry					
Cash ☐ Cheque ☐ Other ☒					
For: <u>Rent</u>					
Amount (in words) <u>Five thousand rand only</u>					
Received by: Crown Estate Agents	<table border="1"> <tr> <td>5 000</td> <td>00</td> </tr> <tr> <td>5 000</td> <td>00</td> </tr> </table>	5 000	00	5 000	00
5 000	00				
5 000	00				

6.1. What is the name of the above document? (1)
Receipt ✓

6.2. Name of the business receiving the money (1)
Crown Estate Agents ✓

6.3. Who is the business receiving money from? (1)
Lynette's Laundry ✓

6.4. What is the business receiving this money for? (1)
Rent ✓

6.5. What amount was received by the business? (1)
R5 000 ✓

6.6. Why is above source document important to the customer? (2)
It serves as proof that the transaction took place. ✓✓

(7)

TOTAL SECTION C: 25

GRAND TOTAL: 50