



SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE  
SUID-AFRIKAANSE KOMPREENSIEWE ASSESSERINGSINSTITUUT

## Adult Basic Education and Training (ABET)

### Summative Assessment

**Economics and Management NQF Level 1  
Sciences:**

**Examination Session: June 2024**

**Total Marks: 100 Marks**

**Time: 3 Hours**

**Number of Pages: 20 Pages**

**Learner Information**

**Candidate Number**

**Centre**

**Date**



**EXAMINATION RULES FOR CANDIDATES**

1. Candidates are bound in all matters relating to the examination to obey the instructions of the chief invigilator. The chief invigilator, where relevant, determines the dress code.
2. Candidates must be identified before they are permitted to write an examination. Identity documents must be produced when required. All candidates are to sign the attendance register.
3. Candidates will not be admitted to the examination room if they arrive an hour or more after the start of the examination. Candidates who have finished answering an examination paper within fifteen minutes of stopping time will not be allowed to leave the examination room, provided there are still candidates writing.
4. Candidates must occupy the places first allocated to them for the entire duration of the examination and for all other examination sessions, unless otherwise directed by the chief invigilator.
5. No explanation of examination questions may be asked or given by any person.
6. No candidate is allowed to leave the examination room within the first hour of the examination, except in an emergency and under supervision.
7. A candidate may only be allowed to leave the examination room in the case of an emergency or to go to the toilet, and in these cases, this must be done under supervision.
8. As soon as a candidate hands in his or her answer script, he or she must leave the examination room.
9. A candidate must carefully read and comply with the instructions, which appear in his or her question paper and the examination timetable.
10. A candidate is not allowed to assist another candidate or try to assist him or her or communicate with another candidate. Should this occur, it would constitute an irregularity. Invigilators are expressly forbidden from assisting candidates in the answering of questions.
11. All questions must be directed to the invigilator.
12. A candidate may not cause a disturbance in the examination room or behave in an improper or unseemly manner.
13. A candidate may not disregard the instructions of the invigilator or may not conduct themselves in a manner that conflicts with the instructions of the chief invigilator.
14. The following are not allowed next to the candidate in the examination room: suitcases, school bags, Walk-mans, CD players, cell-phones, books, dictionaries, notes, sketches or paper other than the official examination material distributed by the chief invigilator. Slide-rules and non-programmable, silent calculators may be used, unless expressly prohibited in the question paper. Pens, erasers, rulers, etc. should be kept in transparent containers/bags. No borrowing is allowed. Wristwatch alarms must be switched off.
15. Candidates should be informed that the possession of notes constitutes an irregularity regardless of whether or not the notes are used. The excuse that a candidate has forgotten or was not aware that he or she has the unauthorized material listed in paragraph 14 in his or her possession will not be accepted.
16. No examination answer books (or part of an answer book), whether used or unused, may be removed from the examination room. Should this occur, it will be considered an irregularity and the candidate will receive NO credit for the examination. Should a candidate write the wrong subject or wrong grade of a subject, this will be a technical irregularity and will lead to the candidate's results being blocked/cancelled/delayed.
17. Should a candidate miss an examination due to illness, a valid doctor's certificate must be given to the chief invigilator. A Certificate will not be awarded to candidates who miss an examination.
18. Any candidate who disregards these rules or the instructions of the chief invigilator or his / her assistants, will have committed an offence in terms of the Regulations [Regulation 6 2(a) and (b)] or a contravention of the Rules [Rule 3(2)].



**INSTRUCTIONS**

- 1 This question paper consists of **THREE** sections: **SECTION A, B, and C.**
- 2 Answer **ALL** questions in **SECTION A, B and C.**
- 3 Calculators may be used.
- 4 Answer all the questions in the space provided.
- 5 Write in blue or black pen only.



## SECTION A

### Question 1

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

Choose the answer and **ENCIRCLE** only the letter [A-D] next to the question number.

1.1.1 Partnership has\_\_\_\_\_.

A unlimited liabilities.

B limited liabilities.

C one to ten partners.

D only seven employees.

(1)

1.1.2 Making sure that all departments keep to their budgets.

A Lower management

B Middle management

C Top management

D Floor manager

(1)

1.1.3 When making a withdrawal in cash to pay wages, the wages account is debited because \_\_\_\_\_.

A assets are increased.

B assets are reduced.

C equity is increased.

D equity is reduced.

(1)

- 1.1.4 The contract must be lawful.
- A Legality
  - B Clause
  - C Consensus
  - D Acceptance (1)
- 1.1.5 A trial balance is prepared.
- A Daily
  - B Monthly
  - C Yearly
  - D Quarterly (1)
- 1.1.6 A company's profit is paid to its shareholders in the form of \_\_\_\_\_.
- A dividends.
  - B percentage.
  - C ratio.
  - D 50/50 bases. (1)
- 1.1.7 Making sure that workers meet daily, weekly, and monthly targets.
- A Middle Manager
  - B Top Manager
  - C Lower Manager
  - D Directors (1)



- 1.1.8 Looks into complaints received from the public against a business or financial institution.
- A Public protector
  - B Judge
  - C Ombudsman
  - D Prosecutor
- (1)
- 1.1.9 Accounting equation.
- A  $\text{Asset} + \text{Liability} = \text{Equity}$
  - B  $\text{Equity} + \text{Asset} = \text{liability}$
  - C  $\text{Equity} + \text{Liability} = \text{Asset}$
  - D None of the above
- (1)
- 1.1.10 Comparing results and performance against the objectives of the business.
- A Planning
  - B Organizing
  - C Leading
  - D Controlling
- (1)

**Total Marks for Question 1.1**

**[10]**



1.2 Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only **TRUE** or **FALSE** in the spaces provided.

1.2.1 Some bank cards do not require a PIN when purchasing items in a store.

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(1)

1.2.2 The magistrate court deals with civil and criminal cases.

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(1)

1.2.3 Rent received increases owners' equity.

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(1)

1.2.4 A public company CANNOT trade its shares on the stock exchange.

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(1)

1.2.5 PIN stands for Personal Identification Number.

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(1)

1.2.6 A tender is a written offer to supply goods or services at a stated cost or rate.

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(1)

1.2.7 Non-current liabilities are debts that will be repaid within twelve months.

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(1)

1.2.8 Retail stores increase the level of literacy.

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(1)



1.2.9 Organizing involves setting goals and objectives.

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(1)

1.2.10 A report refers to communication from top management to low management.

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(1)

**Total Marks for Question 1.2**

**[10]**



1.3 Choose a description in **COLUMN B** that matches the phrases in **COLUMN A**. Write only the letter (**A – M**) **UNDER** the question number (**1.3.1 – 1.3.10**) in the table below.

	<b>COLUMN A</b>	<b>COLUMN B</b>	
1.3.1	Research skills	<b>A.</b> Vehicles are an example.	(1)
1.3.2	Obligation	<b>B.</b> Institutional source of contract.	(1)
1.3.3	Invoice received	<b>C.</b> Source document for credit sales	(1)
1.3.4	Memorandum of Incorporation	<b>D.</b> What parties must do in the contract.	(1)
1.3.5	Cash receipts journal	<b>E.</b> Ability to collect information from various sources.	(1)
1.3.6	Educational institution	<b>F.</b> The small sum of money kept for buying small items for the business.	(1)
1.3.7	Fixed asset	<b>G.</b> Cash sales are recorded in.	(1)
1.3.8	Research technique	<b>H.</b> Component of the contract.	(1)
1.3.9	Signature	<b>I.</b> Source document for credit purchases.	(1)
1.3.10	Petty cash	<b>J.</b> The document that is needed when registering the company. <b>K.</b> The tool used to gather or collect information. <b>L.</b> An example is trading stock. <b>M.</b> The money used to buy equipment.	(1)

	<b>1.3.1</b>	<b>1.3.2</b>	<b>1.3.3</b>	<b>1.3.4</b>	<b>1.3.5</b>	<b>1.3.6</b>	<b>1.3.7</b>	<b>1.3.8</b>	<b>1.3.9</b>	<b>1.3.10</b>
<b>Column B</b>										

**Total Marks for Question 1.3**

**[10]**



1.4 Complete the following sentences by filling in the missing word(s).

1.4.1 \_\_\_\_\_ is an alternative method of payment besides cash payments. (1)

1.4.2 A/An \_\_\_\_\_ reflects profits or losses made by the business. (1)

1.4.3 \_\_\_\_\_ is the highest court in South Africa. (1)

1.4.4 \_\_\_\_\_ are jointly and several liable for the debt of the business. (1)

1.4.5 A/An \_\_\_\_\_ is signed when borrowing money. (1)

**Total Marks for Question 1.4 [5]**

**Total for Section A: 35 Marks**



## SECTION B

### Question 2

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

Lindiwe has a funeral policy with Alex Insurance whereby she has covered all her family members. Unfortunately, she lost her job due to socio-economic circumstances, so she could not pay her premium for four months.

Source: own

2.1.1 Identify the type of contract depicted in the case study above.

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(1)

2.1.2 Give a reason for your answer to Question 2.1.1.

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(2)

2.2.1 Confirm whether Lindiwe's policy with Alex Insurance is still valid.

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(1)

2.2.2 Provide a reason for your answer to Question 2.2.1.

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(2)



2.3 Provide TWO sources of contracts. Explain the role of contracts with each source.

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(6)

2.4 Identify THREE examples of people with no contractual capacity.

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(3)

**Total Marks for Question 2**

**[15]**



**Question 3**

Study the diagram below and answer the questions that follow.



3.1 Explain the term management.

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(2)

3.2 Differentiate between democratic and autocratic leadership styles.

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(4)

3.3 Provide THREE ways of filling source documents.

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(3)

3.4 Define the term accountability.

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(2)

3.4 Describe any TWO safety measures that a person must take into account when withdrawing money from the ATM.

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(4)

**Total Marks for Question 3**

**[15]**



**Question 4**

Below is a list of transactions that must be recorded in the Creditors Journal of Cool Time Traders for November 2023.

**Required:**

1. Capture all three transactions in the creditors journal below. **DO NOT CLOSE OFF THE JOURNAL.** (12)
2. Show all the calculations for the transaction of 10 November to arrive at the correct purchase price of the stock. (3)

**Transactions**

- 5-Nov Bought goods on credit from Jumbo Stores for R2550 (invoice 101).
- 10-Nov Purchased stock from Bafana Stores for R6000 less 10% discount (receipt 102).
- 15-Nov Took delivery vehicles on credit from Zambezi Dealers for R95000 (invoice 103).

**Creditors Journal of Cool Time Traders for November 2023**

Doc No	Date	Creditors	Creditors control	Trading stock	Sundry Account	
					Amount	Details

(12)

**Calculations for 10 November 2023**

(3)

**Total Marks for Question 4**

**[15]**

**Total for Section B: 45 Marks**



## SECTION C

### Question 5

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

John has decided to start a small enterprise selling bicycle spares. He pays his landlord rent each month to use her garage as office space. He is the only owner of the business and sells the spares himself. He enjoys running the business because he can make his own decisions.

*Source: own*

5.1.1 Identify the type of business depicted in the case study above.

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(1)

5.1.2 Provide a reason for your answer in Question 5.1.1.

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(2)

5.2.1 Identify the form of ownership in the case study above.

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(1)

5.2.2 Provide TWO reasons for your answer in Question 5.2.1.

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(4)



5.3 Discuss one negative consequence of being jointly and severally liable as a partner.

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(2)

5.4 Justify why one should invest in a public company. Give FOUR advantages.

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(4)

5.5 Would you join a close corporation? Discuss TWO reasons for your answer.

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(5)



5.6 Unlimited liability can cause challenges to the owners of a business. Explain ONE reason why this is the case.

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(1)

**Total Marks for Question 5**

**[20]**

**Total for Section C: 20 Marks**

**TOTAL MARKS: 100 MARKS**

**END OF THE EXAMINATION**



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Section	Question	Maximum Mark	Learner's Mark	Moderated Mark
<b>A</b>	Question 1.1	10		
	Question 1.2	5		
	Question 1.3	5		
	Question 1.4	5		
	Question 1.5	10		
	<b>Total: A</b>	<b>35</b>		
<b>B</b>	Question 2	15		
	Question 3	15		
	Question 4	15		
	<b>Total: B</b>	<b>45</b>		
<b>C</b>	Question 5	20		
	<b>Total: C</b>	<b>20</b>		

<b>Grand Total (A + B + C)</b>	<b>100</b>
<b>Learner's Total (A + B + C)</b>	
<b>Percentage</b>	
<b>Final Grading</b>	

Name and Surname of Marker

Name and Surname of Moderator

Date of Marking

Date of Moderation

Name and Surname of Umalusi Official

Date of Marking

