



SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE
SUID-AFRIKAANSE KOMPREENSIEWE ASSESSERINGSINSTITUUT

**Adult Basic Education and Training (ABET)
Summative Assessment**

Economics and Management Sciences: NQF Level 1

Examination Session: November 2023

Total Marks: 100 Marks

Time: 3 Hours

Number of Pages: 19 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 unauthorised 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 for the following questions. Choose the answer and **ENCIRCLE** only the letter [A-D] next to the question number.

1.1.1 A public company has a minimum of _____.

A 3 directors.

B 1 director.

C 7 shareholders.

D 2 partners.

(1)

1.1.2 Measuring the business performance against its targets and goals.

A Leading

B Organising

C Scoring

D Controlling

(1)

1.1.3 Which source document is used to record credit sales?

A EFT payment confirmation

B Invoice

C Receipt

D Petty cash voucher

(1)

1.1.4 The ability of parties to enter into a legal contract.

A Legality

B Contractual capacity

C No contractual capacity

D Breach of contract

(1)



- 1.1.5 How often is a general ledger prepared?
- A Daily
 - B Monthly
 - C Yearly
 - D Quarterly
- (1)
-
- 1.1.6 The business is liable for its own debts and the shareholders can't be sued to pay for its debts.
- A Dividends
 - B Unlimited liability
 - C Debt collection
 - D Limited liability
- (1)
-
- 1.1.7 Management style where the manager delegates tasks to others and gives them the freedom to decide how to do tasks.
- A Laissez faire
 - B Democratic
 - C Participative
 - D Teamwork
- (1)
-
- 1.1.8 The goal to come to an agreement.
- A Consensus
 - B Clause
 - C Terms and Condition
 - D Obligation
- (1)



1.1.9 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)

1.1.10 Strategy to change a particular management style.

A Self-assessment

B Networking

C Workshops

D All of the above

(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 A tactical decision is taken by the lower manager.

(1)

1.2.2 The Constitutional Court is the highest in the country.

(1)

1.2.3 $\text{Asset} + \text{Equity} = \text{Liabilities}$.

(1)

1.2.4 Owners of Close Corporations are called partners.

(1)

1.2.5 Information system refers to printer and telephone.

(1)

1.2.6 Parties do not form part of the components of a contract.

(1)

1.2.7 $\text{Cost Price} + \text{MarkUp} = \text{Selling Price}$.

(1)

1.2.8 Banks are a good example of sources of contracts.

(1)



1.2.9 Chronological order is where information is stored according to the dates received.

(1)

1.2.10 Managing Directors are an example of middle management.

(1)

Total Marks for Question 1.2

[10]

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

	COLUMN A	COLUMN B	
1.3.1	Pay package	A. Forms part of non-current liability.	(1)
1.3.2	Marriage contract	B. Statement that reflects expenses and revenue.	(1)
1.3.3	Equity	C. Being able to influence other people to work so that a common goal can be achieved.	(1)
1.3.4	Partners	D. Salary and other benefits.	(1)
1.3.5	Income statement	E. The reason for the contract.	(1)
1.3.6	Claim	F. Statement of financial position.	(1)
1.3.7	Long term loan	G. Money contributed by the owner of the business.	(1)
1.3.8	Leading	H. Jointly and severally liable for the debt of the business.	(1)
1.3.9	Objectives	I. Two people who wish to be in a formally recognised union.	(1)
1.3.10	Balance sheet	J. Requesting the court to intervene.	(1)
		K. Membership.	(1)
		L. Setting of goals.	(1)
		M. Paid off in less than 12 months.	(1)

	1.3.1	1.3.2	1.3.3	1.3.4	1.3.5	1.3.6	1.3.7	1.3.8	1.3.9	1.3.10
Column B										

Total Marks for Question 1.3

[10]



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

1.4.1 Creditors control forms part of the _____
in the balance sheet. (1)

1.4.2 An _____ manager takes all
decisions without prior discussion. (1)

1.4.3 _____ is the agreed date when a
contract ends. (1)

1.4.4 The name of a private company ends the word(s) _____.
(1)

1.4.5 _____ is a contract between employer and
employee. (1)

Total Marks for Question 1.4 [5]

Total for Section A: 35 Marks



SECTION B

Question 2

Read the scenario below and answer the following questions that follow.

Barbra Mazwi bought a washing machine at Philips Furniture Store. She entered into a credit agreement where she paid a deposit and committed to settling the amount outstanding over 24 months. She lost her job three months ago and has been unable to pay the monthly instalments due since then.

Source: own

2.1 What type of contract is illustrated above?

(1)

2.2 Give a reason for your answer in Question 2.1.

(2)

2.3 Identify the TWO parties to the contract provided in Question 2.1.

(2)

2.4 Explain how Ms Mazwi breached the contract named in Question 2.1.

(2)

2.6 Discuss TWO ways Philips Furniture Store can try to recover the money owed to them.

(4)

2.6 Give ONE function of the following financial institutions:

2.6.1 Insurance companies

(2)

2.6.2 Retail stores

(2)

Total Marks for Question 2

[15]



Question 3

Read the scenario below and answer the questions that follow.

John is Brown's father and he runs a car sales business with his son. He is happy with how well their business is doing financially. He recently met with Brown and Vanessa, the business' accountant, to discuss solutions for how they could handle large sums of money. John then decided which financial controls they would implement and some management decisions which they could consider.

Source: own

3.1 Which level of management is John at?

(1)

3.2 Motivate your answer for Question 3.1.

(2)

3.3 Identify the type of leadership style followed by John and discuss TWO characteristics.

(6)



3.4 Discuss any TWO ways in which a business can motivate its employees.

(4)

3.5 Explain the term planning.

(2)

Total Marks for Question 3

[15]



Question 4

Use the following transactions to prepare the Cash Receipts Journal of Alfer Traders for June 2023. In addition, calculate the cost of sales.

Transactions for June 2023

- 2 B Alfer deposited R120 000 as an investment into the business account, rec 01 issued.
- 6 K Zuma rented an open space from Alfer traders and paid R2 500 cash, rec 02 issued.
- 6 Z Boucher sent a cheque of R3 400 for part of the payment outstanding on his account, rec 03 issued.
- 15 Cash sale of R9 625, cost of sales _____ was received.

Instructions:

- a) NOTE: DO NOT CLOSE OFF THE JOURNAL
- b) ALFER TRADERS USE THE MARK-UP OF 75%
- c) **Show all calculations of the cost of sales in the space provided.**



Cash Receipts Journal of Alfer Traders for June 2023

Doc No	Date	Details	Analysis of Receipts	Bank	Sales	Cost of Sales	Debtors Control	Sundry Account	
								Amount	Details

Cost of sale calculations

Total Marks for Question 4

[15]

Total for Section B: 45 Marks



SECTION C

Question 5

Read the scenario below and answer the questions that follow.

Katlego started a bakery in her local community two years ago, she employed one person. The business is doing very well she wants to formally register her business with CIPC. Katlego's reasons include wanting to take out a bank loan to expand her bakery while limiting the liabilities to the business.

Source: own

5.1 Advise Katlego on which form of ownership she should register.

(2)

5.2 Provide a reason for your answer in Question 5.1.

(2)

5.3 Discuss THREE other sources of finance, Katlego could consider other than a bank loan.

(6)

5.4 Explain the term legal entity.

(2)

5.5 Provide TWO differences between members and shareholders.

(4)

5.6 Identify and discuss TWO similarities between a close cooperation and a private company.

(4)

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
A	Question 1.1	10		
	Question 1.2	5		
	Question 1.3	5		
	Question 1.4	5		
	Question 1.5	10		
	Total: A	35		
B	Question 2	15		
	Question 3	15		
	Question 4	15		
	Total: B	45		
C	Question 5 or 6	20		
	Total: C	20		

Grand Total (A + B + C)	100
Learner's Total (A + B + C)	
Percentage	
Final Grading	

Name and Surname of Marker

Date of Marking

Name and Surname of Moderator

Date of Moderation

Name and Surname of Umalusi Official

Date of Marking

