GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

NOVEMBER 2023

GRADE 9

ECONOMIC AND MANAGEMENT SCIENCES: FINANCIAL LITERACY

PAPER 1

TIME: 1 hour

MARKS: 70

9 pages and a 7-page answerbook

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INSTRUCTIONS AND INFORMATION

1. This question paper consists of SECTIONS A, B and C (Financial Literacy topics) and is based on the prescribed content framework in the CAPS amendment document and ATP.

SECTION A: SHORT QUESTIONS

QUESTION 1.1:	Multiple-Choice questions	(5)
QUESTION 1.2:	Matching items	(5)
QUESTION 1.3:	Choose the correct word/term	(5)
		[15]

SECTION B: JOURNALS AND ACCOUNTING EQUATION

QUESTION 2:	Journals	(20)
QUESTION 3:	Accounting equations	(10)
		[30]

SECTION C: LEDGERS AND TRIAL BALANCE

QUESTION 4:	General Ledger	(8)
QUESTION 5:	Creditors' Ledger	(7)
QUESTION 6:	Trial Balance	(10)
		[25]

2. All questions are compulsory.

3. Answer all questions in the ANSWER BOOK provided.

4. Write neatly and legibly.

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SECTION A: SHORT QUESTIONS

QUESTION 1

1.1 MULTIPLE-CHOICE QUESTIONS

Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A – D) next to the question numbers (1.1.1 to 1.1.5) in the ANSWER BOOK provided, e.g., 1.1.6 D.

1.1.1 Creditors' control can be classified as a/an …

A expense.
B current liability.
C current asset.
D non-current liability. (1)

1.1.2 BHS Wholesalers sells goods on credit to A. Money. A. Money is known as a … to the business.

A payee
B proprietor
C debtor
D creditor (1)

1.1.3 The … account normally has a debit balance.

A stationery
B capital
C commission income
D creditors' control (1)

1.1.4 Equipment purchased on credit will increase …

A assets.
B liabilities.
C both assets and liabilities.
D owner's equity. (1)

1.1.5 An EFT was processed to Sumsurance on 25 October 2023. R3 900 was for the business's annual insurance premium and R1 400 for the owner's home insurance. What amount will be recorded in the CPJ as insurance?

A R5 300
B R3 900
C R1 400
D R9 200 (1)

[5]

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1.2 **MATCHING ITEMS**

Choose a term in COLUMN B that matches the description in COLUMN A. Write only the letter (A – F) next to the question numbers (1.2.1 to 1.2.5) in your ANSWER BOOK e.g. 1.2.6 G.

COLUMN A	COLUMN B
1.2.1 A debt that is repayable over a period of more than a year	A Double entry principle
1.2.2 Provides a summary of the amount owed to the business for goods sold on credit	B Equipment
1.2.3 An expense account	C Mortgage bond
1.2.4 For every debit there must be an equal and corresponding credit	D Cash receipts journal
1.2.5 Increases the bank account	E Cost of sales
	F Debtors' Control

[5]

1.3 **CHOOSE THE CORRECT WORD/TERM**

Choose the correct word/term from within the brackets for each of the following statements. Write only the correct word/term in your ANSWER BOOK, e.g., 1.3.6 asset.

1.3.1 The money earned by a business for selling goods to customers is recorded as (current income/sales). (1)

1.3.2 Recording the details of a transaction on a source document is the first step in the (accounting cycle/accounting equation). (1)

1.3.3 The source document for rent received from a tenant is a (duplicate receipt/cash register roll). (1)

1.3.4 EFT is the acronym for (Electronic Financial Transactions/Electronic Funds Transfer). (1)

1.3.5 (Fixed/Current) assets are not purchased with the intention of reselling them at a profit. (1)

[5]

TOTAL SECTION A: 15

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SECTION B: JOURNALS AND ACCOUNTING EQUATION

QUESTION 2: JOURNALS

D. Disney owns Disney Stores. The business is run by D. Disney and two employees who each gets paid a wage.



Disney Stores used to buy and sell toys for cash only. A few months ago, they decided to start buying and selling on credit as well. The business maintains a mark-up of 50% on cost.

REQUIRED:

2.1 Use the information provided below to record the transactions for Disney Stores in the following journals for the month ending September 2023.

Do not close the journals at the end of the month.

2.1.1 Cash Receipts Journal (5)

2.1.2 Cash Payments Journal (6)

2.1.3 Debtors' Journal (3)

2.1.4 Creditors' Journal (4)

2.2 Discuss ONE reason why the business decided to start selling goods on credit. (2)

TRANSACTIONS:

September 2023

6 Cash sales for the day amounted to R10 500.

8 Delivered goods to M. Mouse, R1 800 as per invoice number 36.

11 Paid Pluto R1 010 for repairs to the delivery vehicle. EFT 123 was processed.

14 Paid two weeks wages to the employees. Each employee earns R550 a week.

22 Purchased the following on account from D. Duck. (Invoice number 229)
Merchandise, R7 200
Stationery, R360

25 Received R800 from M. Mouse as partial payment on his account. Issued receipt number 21.

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28 Paid D. Duck through EFT for half the amount owing from the purchase made earlier this month.

[20]

QUESTION 3: ACCOUNTING EQUATION

Analyse the following transactions and show the effect that each one has on the accounting equation.

No.	Transaction
e.g.	Paid R1 000 for wages.
3.1	Goods costing R3 000 was sold on credit to Cinderella. A markup of 25% was maintained.
3.2	EFT 40 was processed as payment of R4 700 to Captain Hook in settlement of account.

[10]

TOTAL SECTION B: 30

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SECTION C: LEDGERS AND TRIAL BALANCE

QUESTION 4: GENERAL LEDGER

The following records were extracted from the books of VIVO Traders on 31 August 2023.

REQUIRED:

Use the information below to complete the following General Ledger accounts for the month ending 31 August 2023.

4.1 Trading Stock (8)

Column totals in the subsidiary journals of VIVO Traders on 31 August 2023.

Cash Receipts Journal of VIVO Traders – August 2023 CRJ1

Bank	Sales	Cost of sales	Debtors' control	Sundry Accounts
251 600	109 800	73 200	2 800	139 000

Cash Payments Journal of VIVO Traders – August 2023 CPJ1

Bank	Trading stock	Stationery	Wages	Sundry Accounts
117 500	?	1 500	4 000	40 500

Debtors' journal of VIVO Traders – August 2023 DJ1

Sales	Cost of Sales
72 000	48 000

Creditors' Journal of VIVO Traders – August 2023 CJ1

Bank	Trading stock	Stationery	Equipment	Sundry Accounts
82 200	51 000	1 200	30 000	

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QUESTION 5: CREDITORS' LEDGER

Refer to the incomplete creditors' ledger below and answer the questions that follow.

Creditors' Ledger of VW Traders for the month ended October 2023

POLO Stores **CL1**

DATE		Details	Fol.	Debit	Credit	Balance
Oct 2023	1	Balance	b/d			**1 240**
Oct 2023	9	**(A)** No. 46	DJ		**5 360**	**(B)**
Oct 2023	13	**(A)** No. 61	DJ		**(C)**	
Oct 2023	25	EFT 74	CPJ	**?**	?	**(D)**

5.1 Provide the detail/source document labelled **(A)**. (1)

5.2 Calculate the balance labelled **(B)**. (1)

5.3 For the transaction dated the 13th, the business purchased goods to the value of R3 900 and received a 10% trade discount on this purchase. Calculate the amount labelled **(C)**. (2)

5.4 On the 25th, the business settled its account in full. What is the balance labelled **(D)**? (1)

5.5 The creditor sends a statement to the business at the end of the month reflecting the amount owing. Explain why it is still necessary for the business to draw up their own account for the creditor in the creditors' ledger. (2)

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QUESTION 6: TRIAL BALANCE

The bookkeeper of Golf Stores is ill. T. Woods, the owner, has asked you to assist him in drawing up the Trail Balance for his business for the month of September 2023.

REQUIRED:

6.1 Identify the missing heading labelled **(A)** on the answer sheet. (1)

6.2 Using the information provided below and draw up the Trial Balance for the month ended September 2023. Some of the information has already been completed for you. (9)

INFORMATION:

Water and electricity	2 920
Telephone	1 590
Sales	20 500
Equipment	15 250
Rent income	2 500
Cost of sales	16 400
Drawings	8 700
Capital	72 000 (see note below)
Bank	12 480
Creditors' control	4 890
Trading Stock	15 550

Note:
The following error <u>was not</u> corrected.

The owner increased his capital by R25 000 in March. This was however recorded as R52 000.

[10]

TOTAL SECTION C: 25

TOTAL: 70

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END