



Subject: Grade 8 Economic and Management Sciences

Topic: EMS: Term 1 - Mini-Exam

Total: 80 Marks

1. bank statement

3 marks

Explanation:

The **bank statement** reflects the bank's transactions with the business.

All money that the business received and debited in its accounting records will be credited on the bank statement.

All money that the business paid and credited in its accounting records will be debited on the bank statement.

2. D: Business / Firms

4 marks

Explanation:

Businesses are **producers** because they make or produce goods or services to sell.

Businesses are **consumers** because they buy or use households' labour to make their products or services.

There are several ways in which the government interacts with businesses in the economy.

The term "business" is used to refer to the manufacturers and producers of goods and services in the economy. Businesses are also called firms.

Businesses employ members of households and pay for their labour. In this way, they give households the means to pay taxes to the national government.

3. C: Households "sell" their labour for money

4 marks

Explanation:

Households provide labour and capital for the government and they consume electricity and water and use the infrastructure, such as roads.

Money moves through the economy when households **sell** their **labour** to businesses and businesses pay **money** to **households** in the form of **salaries** and **wages**.



4. A: Taxation

4 marks

Explanation:

The National Budget describes how much money the government expects to raise through taxes and borrowing, and how it plans to spend it on services like education, social welfare and healthcare for the benefit of all South Africans.

Households pay taxes to the national government, so that they can run the provinces and municipalities and provide services that households can use.

Businesses also pay taxes to the national government.

The government uses the revenue it raises to provide public goods and services.

5. false

2 marks

Explanation:

The two forms of **direct tax** are:

- Personal income tax - R552.9 bn
- Corporate income tax - R229.6 bn

Personal Income tax is a form of tax paid by individuals on the income that a person earns (PAYE). A person with a low income pays no tax, while someone with a very high salary can pay up to 42% of their income in tax. This is the government's way of helping people with lower incomes.

Company tax is a form of tax paid by businesses on the profits they earn.

Capital gain tax is a form of income tax paid by individuals when they earn a profit on the sale of certain assets, e.g. shares and houses.

6. false

2 marks

Explanation:

The **National Budget** describes how much money the government **expects to raise** through taxes and borrowing, and how it **plans to spend** it on services like education, social welfare and healthcare for the benefit of all South Africans.

7. Traditional societies | rural

4 marks

Explanation:

Some societies operate on their own and provide all for all their own needs and wants and are known as **Traditional societies**.

These societies are normally found in **rural areas** because the people in these societies need space to grow their food.

8. mistakes | inequalities

4 marks

Explanation:

The government tries to correct **mistakes** and **inequalities** from the past through free education.

These mistakes involve's Apartheid which occurred in the 1900's.

9. true

2 marks

Explanation:

An excise duty is a tax levied on tobacco and alcohol products to discourage people from using them. They are also called "sin" taxes.

10. Expense

3 marks

Explanation:

Insurance is an **expense** account. This will lead to an economic outflow for the company. It is something the owner will have to pay, in order to secure his/her property or vehicle.

11. B: Local government

4 marks

Explanation:

The different levels of government

- **National government:** This level is responsible for the overall running of the country and deals with national issues such as safety and security, foreign affairs, and international trade.

- **Provincial government:** To make the job of the National Government easy, each of the nine provinces has a government. The Department of the Provincial is responsible for national co-ordination of provinces.

- **Local government:** In every community, when the water must be maintained or electricity must be paid, we find that individuals cannot do that on their own but have the government providing these services in the community known as local government or municipalities.

12. growing vegetables to sell | making clothes to sell

4 marks

Explanation:

Cutting down trees that are not known as “alien trees”, causes a scarcity to the environment.

Burning garbage causes pollution and can harm all living creatures.

More examples of projects to get involved in are:

- Making furniture from alien trees.
- Repairing appliances.
- Repairing or altering clothes.
- Growing seedlings to sell.

13. debit side

3 marks

Explanation:

The **left-hand** side of the ledger account is called the **debit side**.

Assets and Expense accounts will all INCREASE their values on the debit side.

14. credit side

3 marks

Explanation:

The **right-hand** side of the ledger account is called the **credit side**.

This is the side where Income and Liability accounts will INCREASE in value.

15. false

2 marks

Explanation:

Because the government raises most of its money from taxing the workforce, it wants to encourage job creation and economic growth.

It does this by spending on:

- Public transport to get workers to work cheaply and quickly.
- Job creation projects that need unskilled workers.
- Education
- Improved infrastructure such as electricity, water, transport, telecommunications, hospitals and housing.

16. rural society | modern society

4 marks

Explanation:

Rural society is one in which the population density is very low and there are larger areas of open land. People in rural societies often use less technology than people in modern societies

Modern society is a society in which there is a high level of economic development which includes a large volume of economic activity with a well-developed infrastructure. Modern societies are often found in more developed countries of the world, mostly in cities and urban areas

17. false

2 marks

Explanation:

Government spending focuses on providing citizens with **education, health care, safety and security**, and the necessary **infrastructure** (roads, airports, railways, harbours, hospitals and schools).

Government is responsible for keeping the peace and enforcing law and order in the country. The rights and safety of all citizens must be protected, and peace and stability attract business investments, which help the economy to grow.

The government must therefore make sure that the police force is adequately staffed and trained to do their jobs and respect the rights of the people it serves.

18. A: Fair and equitable distribution of resources.

4 marks

Explanation:

A country's government is responsible for making sure that order is kept and there is enough money for infrastructure and services such as roads, hospitals, schools, policing and electricity.

Each province is divided into municipalities to make the job of governing the province easier.

For a country to work properly, people need to be able to access resources and services. These people can be households or businesses.

19. true

2 marks

Explanation:

Taxes is a **compulsory payment** made by the citizens, without receiving a direct benefit from these payments. For example, customs duties, excise duties, income tax, VAT, etc.

Taxes are the state's **main source of income**.

20. false

2 marks

Explanation:

The National Budget is an effective tool to redress the inequalities caused by apartheid economic policies of the past.

The National Budget aims to correct these imbalances with the following initiatives:

- Social grants to almost a third of South Africa's population
- Free health services to the poor
- No fee schools for 60% of learners
- Housing, water and electricity in poor communities.
- Creating jobs for the poor and teaching them new skills that are in demand in our industries.

21. goods | services

4 marks

Explanation:

The **Standard of living** can be described as people's **access** to things such as **goods** and **services** that make life more comfortable.

People living in different economic environments will have different levels of living standards, some higher than others.

A person's standard of living determines the lifestyle the person can enjoy.

22. higher standard | skills

4 marks

Explanation:

People who earn more money than others maintain a **higher standard** of living. The reason for this could be due to them having more **skills**.

Some people have full-time jobs, while others only work part-time or can only find seasonal work.

Some people have more work experience than others, so they can earn a higher salary.

Some people have received training and have special skills, while others are unskilled.

Some people work very hard at their jobs, while others are not hard working.

Some people live in an area where there are many job opportunities, while others live in an area that offers fewer opportunities.

23. Source document

3 marks

Explanation:

Source documents are used to record cash transactions in the books of the business.

- Duplicate receipt: to record cash received
- Electronic Fund transfers (EFT): to record cash payments
- Cash register tape: to record cash sales
- Bank Statement: to record and verify electronic transfers (EFTs).

24. deposit

3 marks

Explanation:

Whenever the business receives money and issues a receipt, the money must be **deposited** into the business's bank account using a deposit slip. The bank teller checks the details on the deposit slip to ensure it is the same as the money and cheques enclosed.

25. D: Create and apply laws.

4 marks

Explanation:

The government is responsible for making the laws of a country.

A country's government is responsible for making sure that order is kept and there is enough money for infrastructure and services such as roads, hospitals, schools, policing and electricity.

Some other functions of the government includes:

- Protect citizens against threats and attacks by other countries
- Provide the goods and services that are needed, not produced domestically or of which are not produced enough.

Total: 80 Marks

