



Subject: Grade 8 Economic and Management Sciences

Topic: EMS: Term 2 - Exam 1

Total: 96 Marks

1. D: Entertainment

4 marks

Explanation:

The government does not include **entertainment** in the spending allocations. The government does spend money on providing public education, housing, social grants and public health services.

In addition, the government also spends money on protection services, welfare and social security, economic services, general government services and interest payments.

2. D: machinery

4 marks

Explanation:

Machinery is man-made, it is not a natural resource.

3. Assets | Owner's Equity

4 marks

Explanation:

Assets increases as there is more money in the bank account. **Owner's Equity** increases as the amount of Capital increases.

4. false

2 marks

Explanation:

There are **three levels** of government.

- Local government
- Regional government
- National government

5. true

2 marks

Explanation:

All money that is received is deposited into the Bank account. All money that is received is either allocated to the Current Income column or to the Sundry column. Therefore the Bank total **must equal** the Current Income total plus the Sundry total.



6. nothing | 2 400

4 marks

Explanation:

Two transactions took place on the 13th. **A** should remain **empty (nothing)** and **B** should be 2 400 (the two transactions for the day added together).

7. B: The bank charges interest

4 marks

Explanation:

When a bank **charges interest**, the business pays the interest (**interest expense**) and it is captured into the Cash Payments Journal and not the Cash Receipts Journal.

8. false

2 marks

Explanation:

The Analysis of Receipts column is used to capture money received **before** it is deposited into the bank account.

9. households | businesses

4 marks

Explanation:

Households (A) give money to **Businesses** (B) in exchange for goods and services.

10. lifestyle | lifestyle.

3 marks

Explanation:

Lifestyle is how a person or a group of people live. This is influenced by things like attitudes, values and culture.

11. source document | source document. | a source document | a source document. | source documents | source documents.

3 marks

Explanation:

A **source document** is used to record transactions. It is the first document that is used to capture all the relevant details about the transaction and it is used to transfer information to the subsidiary journals.

12. false

2 marks

Explanation:

Owner's Equity = Capital + Profit.

Profit is the difference between incomes and expenses.

13. true

2 marks

Explanation:

A temporary worker is not employed permanently but rather on contract for a specific period of time.

14. asset | asset. | assets | assets.

3 marks

Explanation:

Assets are items that a business owns that have value. These assets can be converted to cash.

15. self-sufficient | low

4 marks

Explanation:

Self-sufficient societies rely on agricultural activities (such as farming) and they have a **low** level of production. Self-sufficient societies grow and make what they need to live.

16. cash | cash. | services rendered | services rendered.

3 marks

Explanation:

The transaction is for money received for current income from the cash register. The name/s of the customer/s are unknown so the details are either **cash** or **services rendered**.

17. journal | journals | journals. | subsidiary journals

3 marks

Explanation:

The Accounting Cycle is:

- Transactions
 - Source Documents
 - **Journals**
 - General Ledger
 - Trial Balance
 - Financial Statements
-

18. C: Managing the finances of private businesses

4 marks

Explanation:

The government does **not** manage the finances of private businesses. Individual citizens are responsible for managing their own private businesses.

19. tax | taxes | tax. | taxes.

3 marks

Explanation:

The government raises revenue through **tax**. The government creates a National Budget each year which details the planned expenditure as well as planned incomes.

20. false 2 marks

Explanation:

The **Natural environment** is made up of all things that are **naturally** found on earth (both living and non-living). The Built environment consists of all man-made structures.

21. buys | households 4 marks

Explanation:

The government **buys** the factors of production from **households**.

Households own the factors of production and they give them to the government in return for remuneration.

22. C: ledger 4 marks

Explanation:

A **ledger** is not a source document, it is used to capture and summarise the transaction information.

23. skilled | semi-skilled 4 marks

Explanation:

Skilled labour have achieved higher levels of education (qualifications). **Semi-skilled** labour are employees who have been trained in a specific function or area of work.

24. capital | capital. 3 marks

Explanation:

Capital is the money invested in the business or invested in capital goods. Capital can come from the owner personally (own capital) or it can be borrowed from a bank (borrowed capital).

25. false 2 marks

Explanation:

Posting is the term used to describe capturing information from **journals into the ledger**.

26. entrepreneur | entrepreneur. | entrepreneurship | entrepreneurship. | entrepreneurs | entrepreneurs. 3 marks

Explanation:

An **entrepreneur** is a person who starts and runs a business by combining the three other factors of production (capital, labour and natural resources) in order to deliver products and services to customers.

27. false 2 marks

Explanation:

The **Analysis of Receipts** Column is missing.

28. B: Interest

4 marks

Explanation:

Interest is the remuneration given for the use of Capital as a factor of production.

29. B: Using machinery to produce goods

4 marks

Explanation:

Using machinery to produce goods is not a transaction, it is part of the manufacturing process.

30. = | +

4 marks

Explanation:

The Accounting Equation is $\text{Assets} = \text{Owner's Equity} + \text{Liabilities}$

Total: 96 Marks