

General journal

1. A debtor, A. Adams, whose account was previously written off, returned to the business to pay R250. In which journal(s) would this entry be recorded?

| | |
|---|---|
| <p>A General journal and Cash payments journal</p> <p>C Debtors journal</p> | <p>B Cash receipts journal and General journal</p> <p>D Cash receipts journal</p> |
|---|---|

2. A cheque for R3 300 had been received from a debtor, I. Iceberg, in settlement of his account after 12% discount had been allowed. This cheque was returned by the bank with the remark r/d. Cancel the discount on the dishonoured cheque.

Choose the correct entry in the General journal.

| | Details | Debit | Credit | Debtors control | | Creditors control | |
|----------|--------------------|-------|--------|-----------------|--------|-------------------|--------|
| | | | | Debit | Credit | Debit | Credit |
| A | I Iceberg | 3 300 | | 3 300 | | | |
| | Bank | | 3 300 | | | | |
| B | I Iceberg | 450 | | 450 | | | |
| | Discount allowed | | 450 | | | | |
| C | Discount cancelled | 396 | | 396 | | | |
| | Debtors control | | 396 | | 396 | | |
| D | I Iceberg | 396 | | 396 | | | |
| | Discount allowed | | 396 | | | | |

3. The credit balance of R242 of a debtor, Jackson Traders in the Debtors ledger must be posted to their account in the Creditors ledger.

Choose the correct entry in the General journal.

| | Details | Debit | Credit | Debtors control | | Creditors control | |
|----------|-----------------|-------|--------|-----------------|--------|-------------------|--------|
| | | | | Debit | Credit | Debit | Credit |
| A | Jackson Traders | 242 | | | | 242 | |
| | Jackson Traders | | 242 | | | | 242 |
| B | Jackson Traders | 242 | | 242 | | | |
| | Jackson Traders | | 242 | | | | 242 |
| C | Jackson Traders | 242 | | 242 | | | |
| | Jackson Traders | | 242 | | 242 | | |
| D | Jackson Traders | 242 | | | | 242 | |
| | Jackson Traders | | 242 | | 242 | | |

4. The loan statement from ABSA showed the following information:

| | |
|---|---------|
| Balance of loan before payment of any instalments | 650 000 |
| Instalments paid (including interest) | 278 000 |
| Balance of loan after payment of instalments | 450 000 |

The interest on the loan must be capitalized.

Choose the correct entry in the General journal.

| | Details | Debit | Credit | Debtors control | | Creditors control | |
|---|------------------|---------|---------|-----------------|--------|-------------------|--------|
| | | | | Debit | Credit | Debit | Credit |
| A | Interest on loan | 78 000 | | | | | |
| | Loan: ABSA | | 78 000 | | | | |
| B | Loan: ABSA | 78 000 | | | | | |
| | Interest on loan | | 78 000 | | | | |
| C | Interest on loan | 478 000 | | | | | |
| | Bank | | 478 000 | | | | |
| D | Bank | 278 000 | | | | | |
| | Interest on loan | | 278 000 | | | | |

5. A cheque of R6 440 was received from a debtor, P. Pillay, who was declared insolvent. His insolvent estate paid a dividend of 35 cents in die rand and the remaining balance must be written off.

Choose the correct entry in the General journal.

| | Details | Debit | Credit | Debtors control | | Creditors control | |
|---|-----------|--------|--------|-----------------|--------|-------------------|--------|
| | | | | Debit | Credit | Debit | Credit |
| A | P. Pillay | 4 186 | | 4 186 | | | |
| | Bad debts | | 4 186 | | | | |
| B | Bad debts | 11 960 | | | | | |
| | P. Pillay | | 11 960 | | 11 960 | | |
| C | Bad debts | 4 186 | | | | | |
| | P. Pillay | | 4 186 | | 4 186 | | |
| D | P. Pillay | 2 254 | | 2 254 | | | |
| | Bad debts | | 2 254 | | | | |

6. The account of K. Kapp, a debtor owing R9 750, must be charged with interest at 8% p.a. for 4 months.

Choose the correct entry in the General journal.

| | Details | Debit | Credit | Debtors control | | Creditors control | |
|---|-----------------------------|-------|--------|-----------------|--------|-------------------|--------|
| | | | | Debit | Credit | Debit | Credit |
| A | Interest on overdue debtors | 260 | | | | | |
| | K Kapp | | 260 | | 260 | | |
| B | Interest on overdue debtors | 780 | | 780 | | | |
| | K Kapp | | 780 | | 780 | | |
| C | K Kapp | 780 | | | | | |
| | Interest on overdue debtors | | 780 | | | | |
| D | K Kapp | 260 | | 260 | | | |
| | Interest on overdue debtors | | 260 | | | | |

Correction of errors (Debtors reconciliation)

You are provided with information regarding Southern Sons Traders. The bookkeeper made a number of mistakes which resulted in the balances of the control accounts not concurring with the totals of the lists from the subsidiary ledgers.

Provisional balances/totals on 28 February 2018:

| | |
|--|---------|
| Debtors control | R13 115 |
| List of balances of individual debtors | R8 305 |

REQUIRED:

Take into account the information provided to analyse the errors which were made under the headings provided in order to reconcile the balances of the Debtors control accounts with the totals of the Debtors lists from the subsidiary ledgers on 28 February 2019.

7. The column total for Debtors allowances in the Debtors allowances journal was calculated as R1 900 and posted as such. However the correct total is R9 100.

| | Debtors control | Debtors list |
|---|-----------------|--------------|
| A | (7 200) | (7 200) |
| B | (7 200) | |
| C | 7 200 | 7 200 |
| D | | 7 200 |

8. Interest of R315 must still be added on the arrears account of a debtor, J Jackson.

| | Debtors control | Debtors list |
|---|-----------------|--------------|
| A | (315) | (315) |
| B | 315 | |
| C | | 315 |
| D | 315 | 315 |

9. The entry for the credit note of R270 was recorded correctly in the Debtors allowances journal but was posted incorrectly as an amount of R720 to the debit side of the personal account of the debtor, C Clue.

| | Debtors control | Debtors list |
|---|-----------------|--------------|
| A | | 450 |
| B | | (990) |
| C | | (270) |
| D | | 720 |

10. No entry had been made of a dishonoured cheque of R625. The cheque was received from a debtor, B. Barry, in settlement of her account of R670.

| | Debtors control | Debtors list |
|---|-----------------|--------------|
| A | 670 | 670 |
| B | 625 | 625 |
| C | 45 | 45 |
| D | (625) | (625) |

- A. Clarinet has been working for **PhotoLab Max** for 7 years. Her annual salary scale is: **192 000 x 12 000 – 228 000 x 18 500 – 302 000 x 30 000 – 422 000**
- The employees of **PhotoLab Max** receive a bonus in the month of their birthday. The bonus is 80% of their gross salary.

Deduction and contribution information:

- Liberty pension fund
 - 7,5% of gross monthly salary contributed by employee.
 - 10,5% of gross monthly salary contributed by employer.

PAYE

- Use tax deduction tables – calculate to the nearest Rand.

2020 tax year (1 March 2019 - 29 February 2020)

| Annual Taxable income (R) | Rates of tax (R) |
|---------------------------|---|
| 0 – 195 850 | 18% of taxable income |
| 195 851 – 305 850 | 35 253 + 26% of taxable income above 195 850 |
| 305 851 – 423 300 | 63 853 + 31% of taxable income above 305 850 |
| 423 301 – 555 600 | 100 263 + 36% of taxable income above 423 300 |
| 555 601 – 708 310 | 147 891 + 39% of taxable income above 555 600 |
| 708 311 – 1 500 000 | 207 448 + 41% of taxable income above 708 310 |
| 1 500 001 and above | 532 041 + 45% of taxable income above 1 500 000 |

Source: <https://www.sars.gov.za/Tax-Rates/Income-Tax/Pages/Rates%20of%20Tax%20for%20Individuals.aspx>

- Unemployment Insurance Fund (UIF)
 - 1% of gross salary will be contributed by both employee and employer up to a maximum of R?
- Skills development levy
 - 1% of gross monthly salary or weekly wage would be contributed by **PhotoLab Max**.
- Medihelp medical aid fund

| Plan | Member Type | Monthly Contribution (R) |
|------------------------|---------------------------|--------------------------|
| Prime 3N Comprehensive | Principal member | R2 586 |
| | Dependant | R2 184 |
| | Child dependant <26 years | R750 |
| Prime 3 Comprehensive | Principal member | R3 234 |
| | Dependant | R2 736 |
| | Child dependant <26 years | R942 |

You only pay for two children younger than 18 years after which child dependant rates will apply from the beginning of the year following the year in which they turn 18, until they are 26 years old. Older children pay child dependant rates until they are 26 years old. The monthly contribution does not take any employer subsidy into account

Source: <https://www.medihelp.co.za/plans/2019/comprehensive-plans/prime-3>

- The business offers a contribution to the employees who joins the Medihelp Prime 3 / 3N Comprehensive Plan. The total monthly premium would be divided in a ratio 3:2, contribution to deduction (rounded off to the nearest rand).

Salary journal of PhotoLab Max for July 2019

SJ 7

| Name | Gross Salary | Bonus | Deductions | | | | Contribution | | | |
|----------|--------------|-------|------------|-------|---------|-----|--------------|---------|-----|-----|
| | | | Pension | PAYE | Medical | UIF | Pension | Medical | UIF | SDL |
| Clarinet | ① | | | 4 376 | 3 142 | 149 | | 4 712 | 149 | |
| Harp | 17 200 | | 1 290 | 2 864 | 1 034 | 149 | 1 806 | 1 552 | 149 | 172 |
| Violin | 36 960 | | 2 772 | ② | ③ | 149 | ④ | ③ | 149 | 370 |

16. The gross salary of A. Clarinet for July 2019 is ... (number ①)
- A R19 000 B R25 167 C R23 625 D R35 167
17. Which employee would earn a bonus during July 2019?
- A A. Clarinet B D. Harp C M. Violin D None of the above
18. The SARS (PAYE) deduction on M. Violin's taxable income during July 2019 would be ... (number ②)
- A R8 018 B R8 962 C R10 598 D R13 306
19. What is the medical aid deduction and contribution for M. Violin during July 2019 (number ③)?

| | Deduction | Contribution |
|----------|--------------------|---------------------|
| | Medical Aid | Medical Aid |
| A | R2 388 | R3 582 |
| B | R2 765 | R4 147 |
| C | R1 670 | R2 506 |
| D | R2 964 | R4 446 |

20. It is not compulsory, by law, for a business to contribute towards medical aid fund. What advantages does it hold for PhotoLab Max?
- Study the list of options below and choose the best combination:
- It encourages the employees to belong to a medical aid, as it is more affordable.
 - Ensures higher productivity from the employees.
 - Ensures that employees seek medical attention quicker when they fall ill.
 - PhotoLab Max can use it as a bargaining tool with new employment negotiations.
- A ii B ii, iv C i, iii, iv D All of the above
21. As from 1 October 2012, there is a maximum earnings ceiling to pay and contribute towards UIF. Contributions are calculated at 1% of gross earnings but for employees who earn more than this earning ceilings amount, the contribution is calculated using the maximum amount of ...
- A R136,92 B R148,72 C R128,72 D R181,96
22. Calculate the pension contribution for M. Violin for the month ending July 2019 (number ④).
- A R2 772 B R3 881 C R1 806 D R4 465
23. Calculate the net salary of D. Harp for July 2019.
- A R8 184 B R15 542 C R11 863 D R13 521
24. Calculate the amount payable to SARS in regards to the UIF at the end of July 2019.
- A R894 B R447 C R149 D None of the above

25. Study the list below and choose the best option that reflects compulsory deductions.

- i. PAYE
- ii. UIF
- iii. SDL
- iv. Medical aid
- v. Trade union
- vi. Staff fund
- vii. Pension fund

A i, ii, iii and vii **B** i, ii, v **C** ii, iv, v, vi, vii **D** None of the above

26. Study the list below and choose the best option that reflects the compulsory contribution.

- i. UIF
- ii. SDL
- iii. Trade union
- iv. Staff fund
- v. Pension fund

A i, ii, iii and v **B** i, ii, v **C** ii, iv, v **D** None of the above

27. To record the pension contribution in the general ledger of **PhotoLab Max**, choose the correct accounts:

| | Account debited | Account credited |
|----------|----------------------|----------------------|
| A | Pension fund | Bank |
| B | Pension fund | Pension contribution |
| C | Pension contribution | Pension fund |
| D | Pension contribution | Bank |

28. To record the payment to Medihelp in the general ledger of **PhotoLab Max**, choose the correct accounts:

| | Account debited | Account credited |
|----------|----------------------|----------------------|
| A | Medical aid fund | Bank |
| B | Medical contribution | Bank |
| C | Bank | Medical contribution |
| D | Bank | Medical aid fund |

29. To record the net salary in the general ledger of **PhotoLab Max**, choose the correct accounts:

| | Account debited | Account credited |
|----------|------------------------|------------------------|
| A | Bank | Salaries |
| B | Salaries | Creditors for salaries |
| C | Creditors for salaries | Bank |
| D | Net salary | Salaries |

30. A first-ever national minimum wage was introduced in South Africa on January, 1st 2019 by means of the National Minimum Wage Act of 2018 (NMW). What is the new minimum hourly wage?

A R13 per hour **B** R18 per hour **C** R20 per hour **D** R23 per hour

Business environments and business sectors

1. Refer to the following extract and answer the question that follows:
“One day, all children in this nation will have the opportunity to attain an excellent education.” - Teach for America
 Identify the type of statement made in the above extract
 A Goal B Vision C Mission D Objective

2. Variables in the components of the ___ environment will affect the ___ environment and decisions of business.
 A macro; micro B macro; market C market; public D private; market

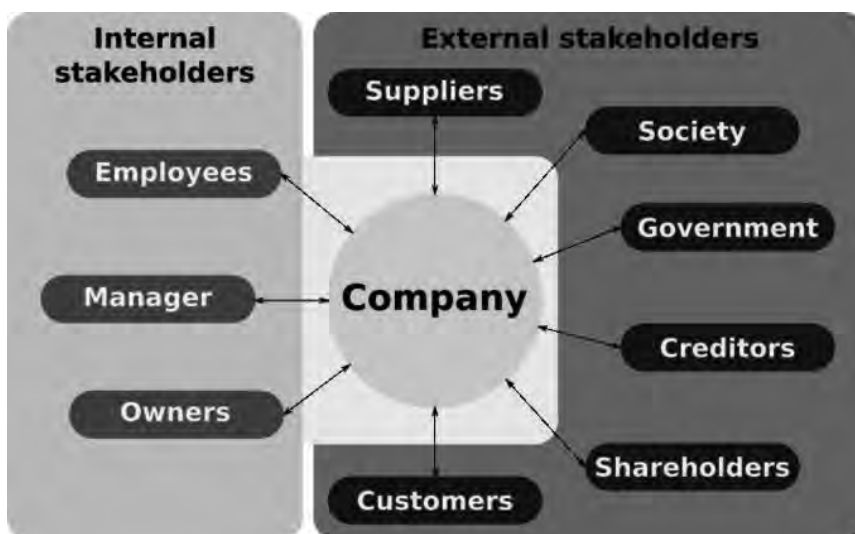
3. Consumers are protected from ___ fixing prices or controlling all the sources of products.
 A Redress B Monopolies C Product D Social

4. Primary sector can be defined as
 A The extraction of natural resources from the earth or from the environment.
 B The manufacturers of the business.
 C The economy is mainly concerned with the rendering of services.
 D The limited resources available in the economy to satisfy the demand for human needs.

5. Which one of the following is NOT an example of service industries?
 A Entertainment B Construction C Professional services D Counter services

6. What was the South African economic growth rate during the first quarter of 2019?
 A 1 – 2% B 5 – 6% C 8 – 10% D 12- 15%

Interrelationships between environments



7. The above diagram indicates _____ .
 A that the market environment has a potential to influence, to a large degree, how a business is run internally.
 B that the micro environment has a potential to influence, to a large degree, how a business is run internally.
 C that the macro environment has a potential to influence, to a large degree, how a business is run internally.
 D None of the above.

8. The interrelationships between environments take place between the following:
- A Micro environment and market environment
 - B Micro environment and macro environment
 - C Market environment and macro environment
 - D Micro, market and macro environment
9. Which function must buy products, machinery, raw materials and other supplies and services of suitable quality at the lowest possible price?
- A Purchasing B Production C Public relations D Marketing

Use the extract below and answer questions 10 and 11.

The unemployment rate at the end of the second quarter of 2018 was 27.2%, meaning the rate has increased by 0.3%. According to the Quarterly Labour Force Survey for the third quarter, there are 16.4 million employed people and 6.2 million unemployed people between the ages of 15 and 64 years in South Africa.

(<https://www.fin24.com/Economy/sa-unemployment-rate-rises-to-275-stats-sa-20181030>, accessed 17/04/2019)

10. Unemployment is a macro environment issue. How does this affect the market environment?
- A Less tax available to government
 - B Less customers available as less disposable income is available.
 - C Increase in customers as demand increases for goods
 - D No effect to market environment
11. Unemployment is a macro environment issue. How does this affect the micro environment?
- A Increase in production as demand increases for goods and services
 - B Decrease in production as demand increases for goods and services
 - C Increase in production as demand decreases for goods and services
 - D Decrease in production as demand decreases for goods and services.

Use the picture below and answer questions 12 and 13.



Figure 1: <https://victoriarollison.com/2014/12/06/abbotts-narrative-and-false-advertising/>

12. The above picture is an example of unethical marketing. How does this affect the market environment?
- A Culture of mistrust is created between customers and business.
 - B Customers have come to expect unethical marketing and is okay with this
 - C A culture of trust is created between business and suppliers
 - D There will be no direct effect on the market environment
13. Which legislation is affected by unethical marketing?
- A Customer Penalty Act
 - B Consumer Prevention Act
 - C Customer Prevention Act
 - D Consumer Protection Act

14. The minimum wage for the country is discussed in the Basic Conditions of Employment Act. This act has major consequences for the Human Resources manager. What is the minimum wage for South African labour?

- A R50 per hour B R100 per hour C R20 per hour D R10 per hour

Entrepreneurship

15. Which one of the following definitions is incorrect?

- A An entrepreneur is a person who produces a good or service which he or she then sells in order to make money.
 B An entrepreneur is a person with the knowledge and the skills to combine and co-ordinate the factors of production in such a way as to make a profit
 C An entrepreneur is an individual who organises, owns, manages and assumes the risks of a business.
 D None of the above

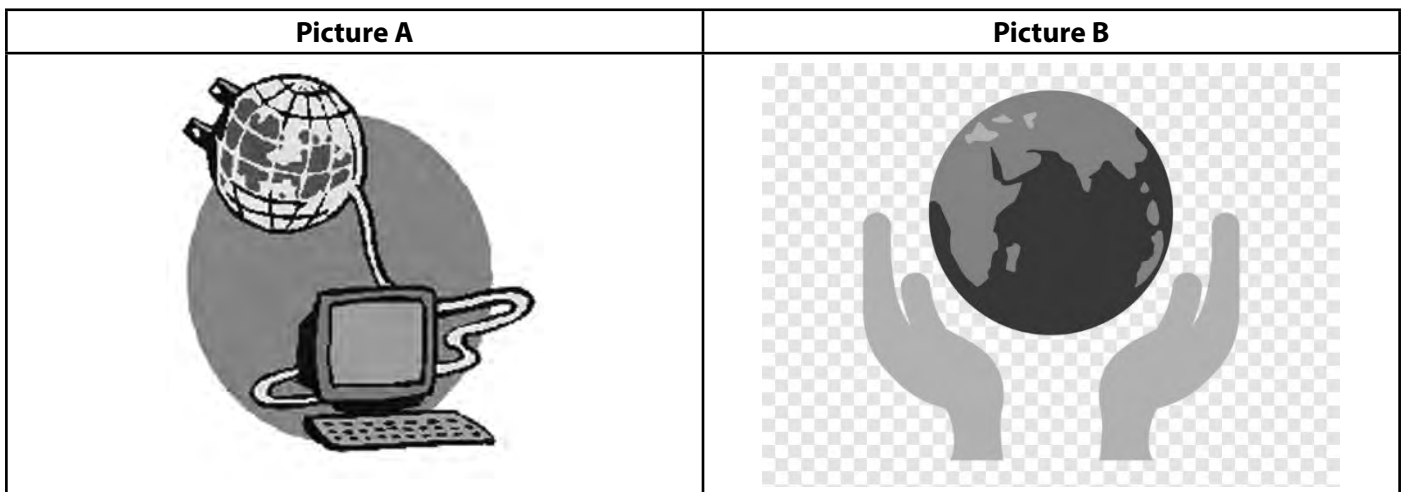
16. Refer to the following extract and answer the question below

***"If you have no confidence in self, you are twice defeated in the race of life. With confidence, you have won even before you have started."* - Cicero**

Identify the type of statement made in the above extract.

- A Desire for responsibility B Big dreams with clear vision
 C Confidence in one's ability to succeed D High degree of commitment

Use the pictures below and answer questions 17 and 18.



17. Identify the definition that best describes the type of entrepreneur in picture A.

- A Entrepreneurial and intrapreneurial activities of both existing and nascent companies operating in technology-intensive environments.
 B Entrepreneurs that develop, fund and implement solutions to social, cultural, or environmental issues.
 C Identifies gaps in the tourism industry and then offers goods and services to satisfy these gaps.
 D None of the above

18. Identify the definition that best describes the type of entrepreneur in picture B.

- A An entrepreneur that operates within an existing business.
 B Entrepreneurs to develop, fund and implement solutions to social or cultural issues.
 C Identifies gaps in the tourism industry and then offers goods and services to satisfy these gaps.
 D Entrepreneurship being applied to create businesses that solve environmental problems or operate sustainably

Use the extract below to answer question 27, 28 and 29

John and Sue opened their Italian restaurant in 2016. They each invested R50 000 in the business and they signed a contract defining their respective roles in the restaurant. John is in charge of the day-to-day operations and Sue is in charge of all financial decisions.

- 27.** Identify the form of ownership discussed in the extract.
- A** Sole proprietor **B** Public company **C** Partnership **D** Close corporation
- 28.** What would one advantage be of this form of ownership identified in question 27?
- A** Easy to establish as the business is not registered
B Slow decisionmaking
C Tax rate of 42%
D Growth is limited
- 29.** What would the legal implications be for Sue if John was unable to pay back his debt?
- A** Sue and John will go to jail
B Sue and John are jointly and separately liable for all debt
C Sue will lose her share in the restaurant
D None of the above
- 30.** What is the maximum amount of tax payable on the progressive tax system?
- A** 50% **B** 40% **C** 36% **D** 45%

Basic concepts and the basic economic problem

1. Economics is best defined as the study of how the participants in the economy
 - A use the infinite resources available to them to eliminate the problem of scarcity.
 - B decide on abundance over scarcity.
 - C make choices to cope with shortages.
 - D accomplish wealth within a specific time period.

2. Which one of the following statements is incorrect?
 - A An economic model is a theory based on fundamental variables and stated in academic terms.
 - B An economic model is verified by determining how correct its predictions are.
 - C The testing of economic models in real life is seldom problematic.
 - D The concept *ceteris paribus* means that all other variables remain constant.

3. The statement: "Decreasing the inflation rate in South Africa is a more vital objective than increasing the economic growth rate of South Africa" can best be described as

| | |
|------------------------------|-------------------------|
| A normative economics. | B positive economics. |
| C objective macro-economics. | D real micro-economics. |

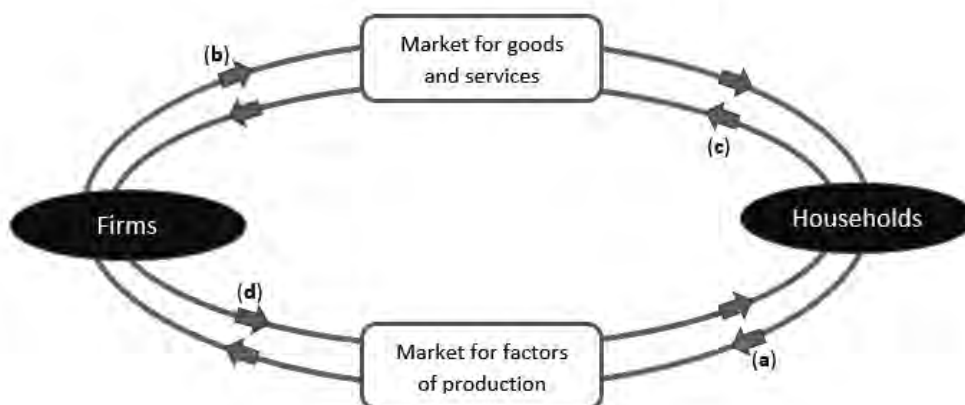
4. Product Y can best be described as a free good if
 - A the price of product Y is R0,00.
 - B the demand for product Y is less than the supply of product Y at R0,00.
 - C product Y is provided by nature.
 - D Product Y is produced by the government.

5. If there are open seats available at a soccer match in Soccer City, the opportunity cost of allowing an underprivileged child to see the soccer match is

| | |
|--|---------------------------------|
| A the profit forfeited from selling that ticket. | B the price of the ticket. |
| C zero Rand. | D higher than the ticket price. |

Circular flow & quantitative elements

The following illustration depicts flows in the economy. Answer questions 6 – 7.



6. The flows depicted by (a), (b), (c) and (d) are respectively

| | (a) | (b) | (c) | (d) |
|---|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|
| A | Remuneration of factors of production | Consumer expenditure | Goods and services | Factors of production |
| B | Factors of production | Goods and services | Consumer expenditure | Remuneration of factors of production |
| C | Consumer expenditure | Remuneration of factors of production | Factors of production | Goods and services |
| D | Goods and services | Factors of production | Remuneration of factors of production | Consumer expenditure |

7. If the foreign sector is added to the flow model, the model will illustrate a/an _____ economy.

- A** micro **B** complex **C** closed **D** open

8. The following monetary flows in the economic model are given.
Calculate the total value of injections and leakages to this economy.

| Exports | Government expenditure | Investments | Imports | Savings by households and firms | Taxes |
|---------|------------------------|-------------|---------|---------------------------------|-------|
| R15 | R40 | R100 | R25 | R5 | R30 |

| | Injections | Leakages |
|---|------------|----------|
| A | R155 | R60 |
| B | R165 | R50 |
| C | R120 | R95 |
| D | R125 | R10 |

9. Which one of the following statements is true about the circular flow?

- A** Output is less than income.
B Output equals income plus expenditure.
C Output equals income equals expenditure.
D Output is less than expenditure.

10. A South-African doctor goes to work in a disaster area in Indonesia. He is paid the equivalent of R20 000 for his work. His income should

- A** be added to the GDP of Indonesia.
B be added to the GDP of South Africa.
C be added to both the GDPs of Indonesia and South Africa.
D not be counted as part of either the GDPs of Indonesia or South Africa.

Business cycles

“South Africa has been rocked by news that it has slipped into a recession ...”

Source: <http://theconversation.com>

11. Which one of the following does NOT describe what a recession is?
- A When the economy suffers two consecutive quarters of negative economic performance.
 - B When the economic output shrinks.
 - C Negative economic growth.
 - D Less inputs are used to produce the goods needed in the economy.
12. When studying business cycles the most important characteristic is the
- A peak.
 - B upswing.
 - C long-term trend.
 - D recovery phase.
13. In this phase of the business cycle economic activities are still growing negatively, but at a decreasing rate. The phase described is the _____ phase.
- A recovery
 - B upswing
 - C recession
 - D depression
14. In which phase of the business cycle would the economically vulnerable still be in a favourable position, but their position will change as unemployment starts to increase?
- A recovery phase
 - B upswing
 - C recession phase
 - D depression phase
15. Indicators that have the tendency of reaching peaks and troughs simultaneously to real GDP are called _____ indicators.
- A lagging
 - B leading
 - C coincident
 - D trailing

Dynamics of markets

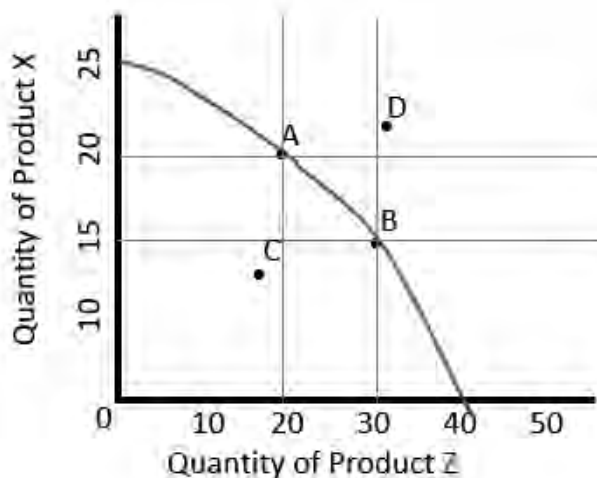
16. The law of diminishing marginal utility states that
- A total utility is at a maximum when the first unit of a good is consumed.
 - B marginal utility will increase when more units of a good are consumed.
 - C marginal utility is at its lowest when the first unit of a good is consumed.
 - D total utility will increase at a falling rate as more units of a good are consumed.
17. If marginal utility equals zero then
- A total utility is maximised.
 - B total utility is zero.
 - C consuming an additional unit of a good will increase total utility.
 - D consuming an additional unit of a good will decrease total utility.
18. If the price of product X decreases, it will lead to a
- A shift of the demand curve to the left.
 - B shift of the supply curve to the right.
 - C movement along the demand curve.
 - D higher level of production.

19. The market for product W has excess supply and the price decreases. Which of the following best describes what will happen in the market for product W?
- A Supply will decrease and demand will increase.
 - B Quantity supplied will decrease and quantity demanded will increase.
 - C Quantity supplied will decrease and demand will increase.
 - D Supply will decrease and quantity demanded will increase.
20. Product Q is an inferior product that can be stored for a lengthy time period. Which one of the following may not lead to an increase in the demand for product Q?
- A The price of product R, a complement, decreases.
 - B Consumer incomes increase.
 - C The number of buyers increases.
 - D The price of product Q decreases.

Production possibility curves

21. A country's economy can be seen as productively efficient if
- A all the households in the country are wealthy.
 - B all resources are employed.
 - C less of one product has to be produced in order to produce more of another product.
 - D the distribution of income is equal.

Consider the following production possibility curve and answer questions 22 to 25.

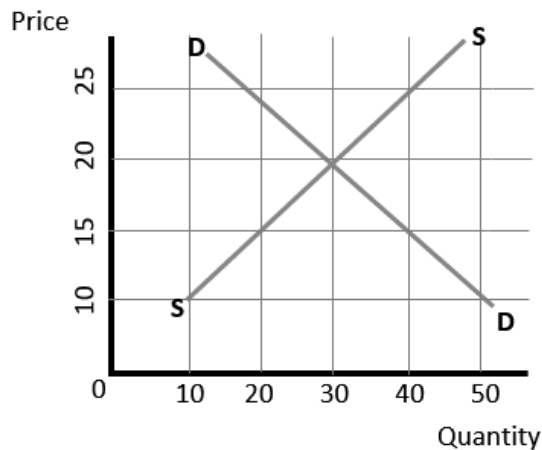


22. What is the opportunity cost in terms of Product Z if production changes from B to A?
- A 5 less units of Product X.
 - B 10 more units of Product Z.
 - C 10 less units of Product Z.
 - D 20 more units of Product X.
23. Which combination of the following statements is true?
- (a) The opportunity cost of producing more of Product X is zero.
 - (b) The opportunity cost of producing more of Product Y is zero.
 - (c) Production at point C is inefficient.
 - (d) Production at point D is unattainable.
- A (a) and (b) B (b) and (c) C (c) and (d) D (a) and (d)

24. As a result of government intervention resources are shifted from one industry to another. Which one of the following best describes the effect on the production possibility curve?
- A A movement between point A and point B.
 - B A movement to point C.
 - C A movement to point D.
 - D Impossible to say, not enough information is given.
25. The production possibility curve as shown, is concave from the origin (i.e. bowed out) because
- A the costs of goods and services used in producing capital, land, and labour, differ.
 - B productive resources differ in their usefulness in producing different goods and/or services.
 - C all productive resources are equally suited for producing all goods and/or services.
 - D land, labour and capital are used in fixed quantities in producing all goods and/or services.

Public sector's involvement and intervention in the market

Study the following demand and supply curve of Product H. Answer questions 26 to 28.



26. If a price ceiling of R15 is instituted, it will cause a
- A surplus of 20 units.
 - B shortage of 20 units.
 - C surplus of 10 units.
 - D shortage of 10 units.
27. If the government implements a production subsidy, the
- A supply curve will shift to the right, thus the equilibrium price will decrease and the equilibrium quantity will increase.
 - B supply curve will shift to the left, thus the equilibrium price will decrease and the equilibrium quantity will increase.
 - C demand curve will shift to the right, thus the equilibrium price will increase and the equilibrium quantity will decrease.
 - D demand curve will shift to the left, thus the equilibrium price will increase and the equilibrium quantity will decrease.

28. If the government implements an indirect tax, the supply curve will shift to the
- A right, thus the equilibrium price will decrease and the equilibrium quantity will increase.
 - B left, thus the equilibrium price will decrease and the equilibrium quantity will increase.
 - C right, thus the equilibrium price will increase and the equilibrium quantity will decrease.
 - D left, thus the equilibrium price will increase and the equilibrium quantity will decrease.
29. Which one of the following best describes why the government will implement price controls?
- A For the benefit of conglomerates.
 - B To improve the well-being of low-income consumers and/or marginalised workers.
 - C To stimulate black market activities.
 - D To increase government income.
30. The government implements a subsidy per unit. As a result of this the equilibrium quantity changes from 100 to 150 and the equilibrium price from R20 to R15. The subsidy will cost the government
- A R250.
 - B R750.
 - C R1 000.
 - D R1 250.



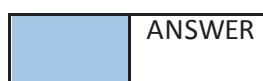
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Grade 10 - Round 2 Memorandum



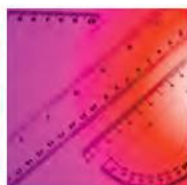
ACCOUNTING

| Topic | | A | B | C | D | |
|---------------------|-------|--------|----------------|----------------|-------------|----------------|
| General journal | 1. eg | | | | ANSWER | LOWER LEVEL |
| | 2. | | ANSWER | HIGHER LEVEL | | |
| | 3. | | ANSWER | MODERATE LEVEL | | |
| | 4. | ANSWER | MODERATE LEVEL | | | |
| | 5. | | ANSWER | HIGHER LEVEL | | |
| | 6. | | | | | ANSWER |
| Correction of error | 7. | | ANSWER | HIGHER LEVEL | | |
| | 8. | | | | ANSWER | MODERATE LEVEL |
| | 9. | | ANSWER | HIGHER LEVEL | | |
| | 10. | ANSWER | HIGHER LEVEL | | | |
| | 11. | ANSWER | HIGHER LEVEL | | | |
| VAT | 12. | | | ANSWER | LOWER LEVEL | |
| | 13. | | | | ANSWER | MODERATE LEVEL |
| | 14. | ANSWER | LOWER LEVEL | | | |
| | 15. | | ANSWER | HIGHER LEVEL | | |

| Topic | | A | B | C | D | | |
|--------------------|-----|--------|----------------|----------------|----------------|----------------|----------------|
| Salaries and wages | 16. | | | ANSWER | HIGHER LEVEL | | |
| | 17. | ANSWER | HIGHER LEVEL | | | | |
| | 18. | ANSWER | HIGHER LEVEL | | | | |
| | 19. | | ANSWER | HIGHER LEVEL | | | |
| | 20. | | | | | ANSWER | MODERATE LEVEL |
| | 21. | | ANSWER | MODERATE LEVEL | | | |
| | 22. | | ANSWER | LOWER LEVEL | | | |
| | 23. | | | | ANSWER | MODERATE LEVEL | |
| | 24. | ANSWER | MODERATE LEVEL | | | | |
| | 25. | | | | | ANSWER | LOWER LEVEL |
| | 26. | | | | | ANSWER | LOWER LEVEL |
| | 27. | | | | ANSWER | MODERATE LEVEL | |
| | 28. | ANSWER | MODERATE LEVEL | | | | |
| | 29. | | | ANSWER | MODERATE LEVEL | | |
| 30. | | | | ANSWER | HIGHER LEVEL | | |



For more information sms "Name, Surname and Olympiad" to 41721



BUSINESS STUDIES

| Topic | | A | B | C | D |
|---|-----|------|--------|--------|------|
| Business Environments and Sectors | 1. | Blue | Yellow | | |
| | 2. | Blue | Yellow | | |
| | 3. | | Blue | Yellow | |
| | 4. | Blue | Green | | |
| | 5. | | Blue | Green | |
| | 6. | Blue | Red | | |
| Interrelationships between environments | 7. | Blue | Red | | |
| | 8. | | | | Blue |
| | 9. | Blue | Green | | |
| | 10. | | Blue | Red | |
| | 11. | | | | Blue |
| | 12. | Blue | Red | | |
| | 13. | | | | Blue |
| | 14. | | | Blue | Red |
| 15. | | | | Blue | |

| Topic | | A | B | C | D |
|-----------------------|-----|------|--------|--------|--------|
| Entrepreneurship | 16. | | | Blue | Yellow |
| | 17. | Blue | Red | | |
| | 18. | | | | Blue |
| | 19. | Blue | Red | | |
| Social responsibility | 20. | | Blue | Yellow | |
| | 21. | | | Blue | Yellow |
| | 22. | Blue | Yellow | | |
| Forms of ownership | 23. | | Blue | Yellow | |
| | 24. | | Blue | Green | |
| | 25. | | | | Blue |
| | 26. | Blue | Red | | |
| | 27. | | | Blue | Green |
| | 28. | Blue | Yellow | | |
| | 29. | | Blue | Red | |
| | 30. | | | | Blue |

ECONOMICS

| Topic | | A | B | C | D |
|----------------|-----|------|--------|--------|--------|
| Basic concepts | 1. | | | Blue | Green |
| | 2. | | | Blue | Green |
| | 3. | Blue | Yellow | | |
| | 4. | | Blue | Yellow | |
| | 5. | | | Blue | Yellow |
| Circular flow | 6. | | Blue | Yellow | |
| | 7. | | | | Blue |
| | 8. | Blue | Red | | |
| | 9. | | | Blue | Red |
| | 10. | Blue | Red | | |
| Business cycle | 11. | | | | Blue |
| | 12. | | | Blue | Green |
| | 13. | Blue | Red | | |
| | 14. | | | Blue | Red |
| | 15. | | | Blue | Green |

| Topic | | A | B | C | D |
|-------------------------------|-----|------|--------|--------|--------|
| Dynamics of markets | 16. | | | | Blue |
| | 17. | Blue | Red | | |
| | 18. | | | Blue | Yellow |
| | 19. | | Blue | Red | |
| | 20. | | | Blue | Red |
| Production possibility curves | 21. | | | Blue | Yellow |
| | 22. | | | Blue | Red |
| | 23. | | | Blue | Red |
| | 24. | Blue | Red | | |
| | 25. | | Blue | Yellow | |
| Public sectors | 26. | | Blue | Yellow | |
| | 27. | Blue | Yellow | | |
| | 28. | | | | Blue |
| | 29. | | Blue | Yellow | |
| | 30. | | | Blue | Red |