

Bank reconciliation

Soho Dealers appointed a newly graduated accountant, Lily Westbrook. Her tasks involve (amongst others) to complete the bank reconciliation process every month.

You are provided with the Bank Reconciliation Statements for the last two months:

BANK RECONCILIATION STATEMENT ON 31 MARCH 2019	R
Debit balance as per bank statement	12 150
Outstanding deposits:	
15 March 2019	24 100
28 March 2019	13 200
Outstanding cheques:	
No. 177 (10 October 2018)	160
No. 655 (25 January 2019)	245
No. 718 (3 March 2019)	2 330
No. 746 (15 May 2019)	6 890
No. 768 (21 March 2019)	498
Debit amount wrongly debited	132
... balance as per bank account	?

BANK RECONCILIATION STATEMENT ON 30 APRIL 2019	R
Debit balance as per bank statement	19 210
Outstanding deposits:	
15 March 2019	24 100
29 April 2019	22 600
Outstanding cheques:	
No. 177 (10 October 2018)	160
No. 718 (3 March 2019)	2 330
No. 746 (15 May 2019)	6 890
No. 811 (3 April 2019)	1 230
No. 896 (30 April 2019)	900
... balance as per bank account	?

1. Lily Westbrook is feeling frustrated with the bank reconciliation task. She does not understand why she needs to waste her time and skills on doing this every month.

Which option best explains the need for reconciliation?

- A** Bank reconciliation is done to check up on her colleagues.
B Bank reconciliation helps to find errors and omissions between the business's books and the bank's records.
C Bank reconciliation is the best way to see which debtors paid the business on time.
D Bank reconciliation helps to keep track of the issued cheques.
2. Calculate the correct balance as per the bank account on 31 March 2019.
- A** R14 895 debit **B** R15 159 debit **C** R39 195 credit **D** R59 705 credit

3. After correcting the errors while compiling the Bank Reconciliation Statement on 30 April 2019, what is the correct balance as per bank account?
- A** R15 980 debit **B** R7 960 credit **C** R16 140 debit **D** R8 120 credit
4. Was the error on the Bank Reconciliation Statement on 31 March 2019 corrected during April 2019? How can you tell?
- A** No, these type of errors can never be corrected.
B Yes, correction of an error may only appear on the Reconciliation Statement once.
C Yes, if it wasn't corrected it would still be on the Bank Reconciliation Statement on 30 April 2019.
D No way of knowing.
5. **Cheque no. 718** shows as an outstanding cheque during March and April 2019. Which option best explains why it would appear on both?
- A** This is an error. It should have been taken out of the April 2019 bank reconciliation statement as it was in the journals during March 2019.
B This cheque is within its six month shelf life, but the payee has not cashed the cheque at the bank yet.
C This cheque is post-dated.
D This cheque is stale.
6. **Cheque no. 746** shows as an outstanding cheque during March and April 2019. Which option best explains why it would appear on both?
- A** This is an error. It should have been taken out of the April 2019 bank reconciliation statement as it was wrongly placed in the journals during March 2019.
B This cheque is within its six month shelf life, but the payee has not cashed the cheque at the bank yet.
C This cheque is post-dated
D This cheque is stale.

Fixed assets

- Balances on 31 March

	2019	2018
Land and buildings	4 200 000	6 000 000
Equipment	480 000	368 000
Vehicles	2 280 000	1 120 000
Accumulated depreciation on equipment	?	200 250
Accumulated depreciation on vehicles	?	440 000

- Unused land was sold for cash at cost to solve cash-flow problems. This property was bought by Skyline Properties (Pty) Ltd. The majority shareholder in this company is Cathy Carreira, the CEO's (chief executive officer) wife.
- A computer (equipment) was sold for R2 480 cash to the CEO, George Carreira, on 31 January 2019.

FIXED ASSET REGISTER		AO 65477	
Item:		HP Laptop	
Cost:		R36 000	
Date purchased:		1 October 2016	
Rate of depreciation:		25% p.a. on straight-line method	
DATE	DEPRECIATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
31 March 2017	R4 500	R4 500	R31 500
31 March 2018	R9 000	R13 500	R22 500
31 January 2019	?	?	?

- A new vehicle was purchased on 30 June 2018 and a new computer was purchased on 1 January 2019.
- Depreciation is written off on vehicles at 20% p.a. on the diminishing-balance method and on equipment at 25% p.a. on the straight-line method.

7. As an internal auditor you would be concerned about the disposal of the land and buildings. Which unethical behaviour could the CEO be guilty of?
- A** Nepotism **B** Insider trading **C** Counterfeiting **D** Whistleblowing
8. The new vehicle bought on 30 June 2018 had a cost price of ...
- A** R1 120 000 **B** R1 160 000 **C** R2 280 000 **D** R3 400 000
9. The new equipment bought on 1 January 2019 had a cost price of ...
- A** R12 000 **B** R368 000 **C** R148 000 **D** R480 000
10. The equipment sold had a carrying value of ... on 31 January 2019
- A** R31 500 **B** R22 500 **C** R15 000 **D** R13 500
11. Depreciation to be written off on vehicles for the year ending 31 March 2019, would be ...
- A** R456 000 **B** R136 000 **C** R368 000 **D** R310 000
12. Depreciation to be written off on equipment for the year ending 31 March 2019, would be ...
- A** R99 750 **B** R120 000 **C** R58 526 **D** R92 250
13. The business expects its equipment to have a lifespan of 4 years. How many months use does the business still have on the rest of its old equipment by 31 March 2019, if they were all purchased on the same date?
- A** 15 months **B** 9 months **C** 10 months **D** 2 months
14. As an internal auditor what measures could be taken to safeguard the fixed assets?
- Keep a detailed individual fixed asset register on each asset.
 - Often do random spot checks on the fixed assets to determine their usefulness.
 - Employees who use the fixed asset must sign in using a logbook.
 - Keep the fixed assets locked away at night.
 - Never allow an employee to take a fixed asset home for personal use.
- A** i, ii and iv **B** ii and v **C** iii, iv and v **D** All of the above

Partnerships

Pet Boutique specializes in pet grooming and accessories. Partners Jeffery and Jonas opened their doors on 1 June 2012.

You are provided with information relating to Pet Boutique for the year ending 30 June 2019.

Information:

- Extract from the list of balances on 30 June:

	2019	2018
Capital account: Jeffery	500 000	500 000
Capital account: Jonas	?	500 000
Current / Private account: Jeffery	30 000 (dr)	7 720 (dr)
Current / Private account: Jonas	22 500 (dr)	7 820 (cr)
Loan: ABSA	1 200 000	1 277 250
Turnover	2 425 000	
Net profit for the year	?	

- Receive the loan statement from ABSA (interest is capitalised):

Repayments (R10 000 per month) include interest	R120 000
Interest capitalised	R ?

Capital repayments will be R77 250 during the next financial year.

- Pet Boutique** has an investment with Standard Bank. During the current financial year, the investment earned interest of R6 632. Interest is earned at 4% per annum. $\frac{3}{4}$ of the fixed deposit would mature on 15 February 2020.
- Interest on capital is calculated at 11% per annum. Only Jonas increased his capital contribution on 31 March 2019.
- Jeffery is entitled to an annual bonus of 8% of net profit after partners' salaries have been deducted.
- Partners are entitled to annual salaries. Jeffery earns 1,5 times more than Jonas.
- Remaining profits and losses are shared in the ratio of partners' capital account balances at the beginning of the financial year.
- Financial indicators on 30 June:

	2019	2018
Operating expenses on turnover	32%	24%
Net profit on turnover	16%	18%
Return on average partners equity	34,5%	42,6%
Return for Jeffery	44,3%	
Return for Jonas	27,2%	
Debt/equity	0,9:1	1,2:1
Current ratio	4,4:1	
Acid test ratio	0,9:1	

Study the given answer sheet and indicate the correct answer to the questions.

Pet Boutique

Statement of Financial Position on 30 June 2019

	R
ASSETS	
NON-CURRENT ASSETS	
Property, plant and equipment	1 831 550
Financial assets	
CURRENT ASSETS	④
Inventories	⑤
Trade and other receivables	7 275
Cash and cash equivalents	③
TOTAL ASSETS	2 516 500
EQUITY AND LIABILITIES	
PARTNERS EQUITY	
Capital	②
Current / Private account	
NON-CURRENT LIABILITIES	
Loan: ABSA	①
CURRENT LIABILITIES	146 250
Trade and other payables	56 700
Bank overdraft	
Current portion of loan	
TOTAL EQUITY AND LIABILITIES	2 516 500

Note 8: Current / Private account

	Jeffery	Jonas
NET PROFIT AS PER INCOME STATEMENT		
Partners' salaries		⑦
Interest on capital	55 000	⑥
Bonus	20 740	-
PRIMARY DISTRIBUTION OF PROFIT		
FINAL DISTRIBUTION OF PROFIT	⑧	60 130
Drawings for the year	(235 400)	(205 200)
Retained income for the year		
Balance at the beginning of the year		
Balance at the end of the year		

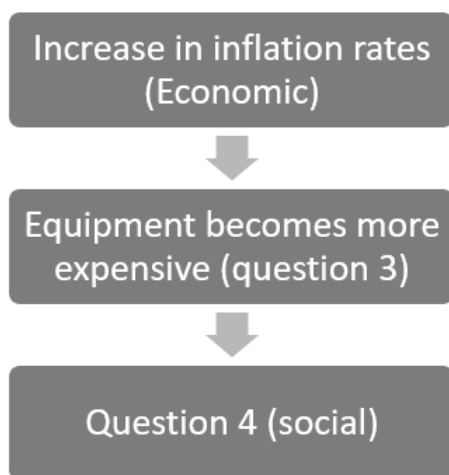
15. The difference between turnover and sales is the ...
- A** deduction of discount allowed. **B** deduction of debtors allowances.
C deduction of discount received. **D** deduction of cost of sales.
16. Calculate the Net profit for the year ending 30 June 2019.
- A** R388 000 **B** R436 500 **C** R776 000 **D** R582 000
17. Calculate the correct NON-CURRENT LIABILITIES amount on 30 June 2019 (number ①).
- A** R1 277 250 **B** R1 122 750 **C** R1 200 000 **D** R1 080 000
18. Calculate the correct amount for Capital on 30 June 2019 (number ②).
- A** R1 300 000 **B** R1 247 500 **C** R1 385 833 **D** R1 163 611
19. Calculate the correct CASH AND CASH EQUIVALENTS amount on 30 June 2019 (number ③).
- Take note: Pet Boutique neither keep money for petty cash nor cash float.
- A** R41 450 **B** R0 **C** R165 800 **D** R124 350
20. Calculate the correct CURRENT ASSETS amount on 30 June 2019 (number ④).
- A** R643 500 **B** R519 150 **C** R684 950 **D** R131 625
21. Calculate the correct Inventories amount on 30 June 2019 (number ⑤).
- A** R677 675 **B** R636 225 **C** R511 875 **D** R131 625
22. Calculate the correct Interest on capital for Jonas for the year ending 30 June 2019 (number ⑥).
- A** R66 000 **B** R55 000 **C** R63 250 **D** R88 000
23. Calculate the correct Salary for Jonas for the year ending 30 June 2019 (number ⑦).
- A** R155 550 **B** R103 700 **C** R51 500 **D** R77 250
24. Calculate the correct Final distribution of profit for Jeffery for the year ending 30 June 2019 (number ⑧).
- A** R96 208 **B** R60 130 **C** R120 260 **D** R90 195

Business environments

- A challenge for management is to note the ___ of the market in which the business operates.
A Capital **B** Equipment **C** Demographics **D** None of the above
- Which of the following is not an example of challenges of the micro environment?
A Lack of vision and mission **B** Lack of adequate management skills
C Strikes and go-slows **D** Shortages of supply

Use the following diagram to answer question 3 and 4

The different elements in the Macro environment effect each other, e.g.



- Identify the Macro environment discussed in block 2 (Equipment becomes more expensive).
A Political **B** Physical **C** Technological **D** Environmental
- Identify the social description that could be discussed in block 3.
A Increased social media publicity
B Increased unemployment due to retrenchment
C Increased labour cost due to more equipment
D Decreased unemployment

Impact and challenges of contemporary socioeconomic issues on business operations

- Economic crimes include:
A Piracy **B** Shoplifting **C** Money laundering **D** Armed robbery
- ___ is a policy whereby the Employment Equity Act seeks to provide a formal structure to transform workplaces.
A Unemployment **B** Retrenchment **C** Globalisation **D** Affirmative action

Use the image below to answer questions 7 and 8.



Figure 1: <https://www.unf.edu/coggin/csdp>, accessed 23/04/2019

7. The image above is an example of what?

- A** Incorporated business practices **B** Incorporated citizen governance
C Social business practices **D** Sustainable business practices

8. Identify one advantage of implementing the above into an organisation.

- A** Considering benefits of shareholder over stakeholder practices
B Considering benefits of stakeholder over shareholder practices
C Considering financial benefits over stakeholders and the environment
D None of the above

9. The following extract is a key objective which is aimed at motivating companies.

To provide a tool for a broad holistic assessment of company policies and practices against globally aligned and locally relevant corporate responsibility standards.

- A** JSE Sustainable Social Practices **B** JSE Social Responsibility Index
C JSE Financial Index **D** JSE Fiscal policy

Business sectors

10. ___ transforms raw material through a production process into products that are suitable for consumption.

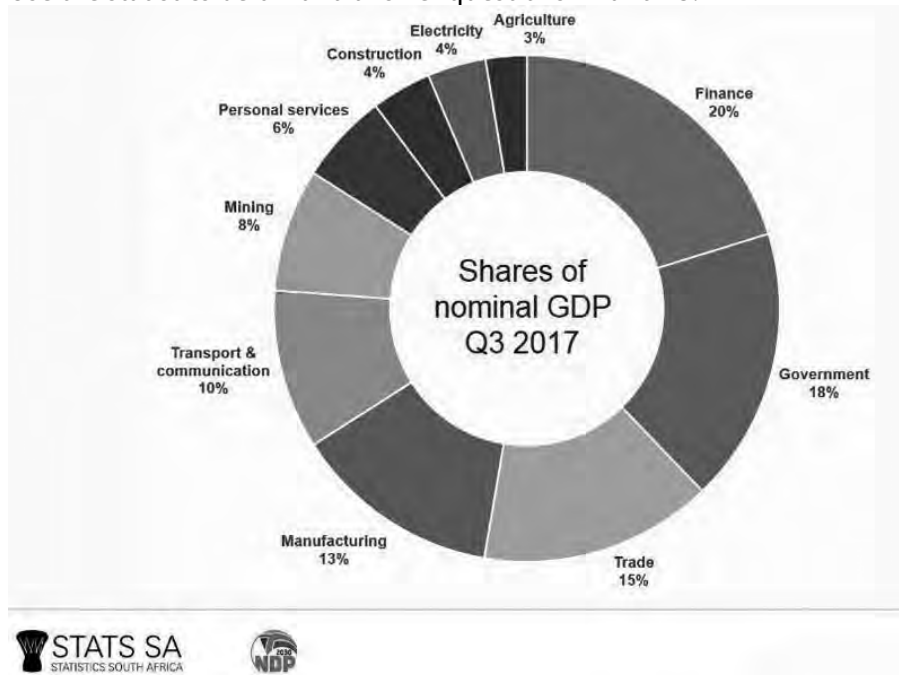
- A** Primary enterprise **B** Secondary enterprise
C Tertiary enterprise **D** None of the above

11. Identify which of the items listed below are exempted from VAT charges.

- I. dried beans
II. olive oil
III. rice
IV. milk
V. white bread

- A** II,V,I **B** III,IV,V **C** I,III,V **D** I,III,IV

Use the statistics below and answer questions 12 and 13.



12. Which are the two biggest contributing primary sector industries in South Africa to our total GDP?

- A Finance at 20% and Government at 18%
- B Transport and communication at 10% and manufacturing at 13%
- C Agriculture at 3% and mining at 8%
- D Trade at 15% and Government at 18%

13. What was South Africa's GDP growth at the end of 2018?

- A 0.8% - 1.0%
- B 2.0% - 3.0%
- C 4.0% - 5.0%
- D 6.0% - 7.0%

Forms of ownership

14. Which one of the following is NOT a benefit of establishing a company?

- A Limited liability
- B Raising money
- C Continuity of existence
- D Establishing costs

15. The three main possible forms of ownership for a business operated as a separate legal entity is:

- i. Close corporation
- ii. Public company
- iii. Private company
- iv. Partnership

- A iii, ii, iv
- B i, ii, iv
- C i, ii, iii
- D i, iv, iii

Creative thinking and problem solving

16. The best problem-solving technique to use when making changes is _____

- A Mind-mapping
- B SCAMPER
- C Force-field analysis
- D The Delphi technique

17. An action step chart should include:

- A What, who, why and expected outcome
- B What, why, how and who
- C When, who, expected outcome and what
- D Why, how, who and expected outcome

18. The following extract is an example of what type of theory that needs to be considered when applying creative thinking in a diverse workplace?

The spirit of the African worldview includes wholeness, community and harmony which are deeply embedded in cultural values.

- A Indigenous thinking
- B Force Field analysis
- C Incentive thinking
- D Restraining forces

19. Solve the following lateral thinking puzzle:

economy

- A You are bigger when saying no to the eco
- B You are bigger than your eco
- C Decreasing economy
- D Growing economy

Stress, crisis and change management

20. A key word in crisis management is ____

- A Recession
- B Simulation
- C Prevention
- D Reinforcement

21. Identify the barrier to success in the picture below:



Figure 2:<http://clipart-library.com/clipart/qTBoqKoMc.htm>

- A Lower performance of the worker leading to a decrease in productivity.
- B Visualise yourself in a relaxing place
- C Accept that change is inevitable
- D Procrastination

Use the picture below to answer questions 22 and 23



Figure 3: <https://www.biznews.com/leadership/2017/05/17/jonas-populism-sa-economy>

22. Identify the main issues in the cartoon above that add stress to the South African population.

- A Underperforming economy
- B Inequality
- C The public sector is weak.
- D Ecological changes to the CBD of Johannesburg

23. Identify two reasons for South Africa's junk status that have led to change within the country.

- A Strong fiscal position and contingent liabilities
- B Weak per capita growth and socio-economic challenges
- C Contingent liabilities and low socio-economic challenges
- D Lower levels of government debt and strong investor confidence

Is the following statement in question 24 and 25 true or false? If false, correct the word/s in bold.

24. The **ADKAR** theory was designed to focus on teams with specific activities that would have an impact on results.

- A True
- B False
- C False, BELBIN theory
- D False, ADAMS theory

25. Forming a strong **methodology** between team members can help with change in an organisation.

- A True
- B False, Coalition
- C False, Competition
- D False

Starting a business venture

26. Borrowing money from your father to start a business, is an example of:

- A Equity
- B Debt
- C Grant
- D Partnership

27. When two businesses agree to work together on an activity so that both can benefit from the other's ideas and expertise, it is known as a/an ____

- A Strategic alliance
- B Power relationship
- C Hedging
- D Investor

28. Most entrepreneurs will need a loan in order to finance a new business venture. What is the current repo rate in South Africa?

- A** Between 1% and 2% **B** Between 10% and 20%
C Between 6 and 7% **D** Between 20% and 25%

Use the information below to answer question 29 and 30.



New Wimpy Franchisees can expect to pay between R1.9 million – R2.5 million and an initial franchisee fee of R114,300 (excluding VAT). Franchisees are also expected to pay 7% of their turnover in management fees and 5% of their turnover in royalties.

(<https://businesstech.co.za/news/business/250849/14-food-franchises-that-cost-less-than-r2-million-to-open-in-south-africa/>, accessed 23/04/2019)

29. How much VAT will be paid on the initial franchising fees for a new Wimpy outlet?

- A** R37 500 **B** R17 145 **C** R16 002 **D** R5 715

30. What is the percentage of the turnover paid to Famous Brands by each Franchisee?

- A** 7% **B** 5% **C** 12% **D** 15%

Factors of production

1. Which of the following is not an example of an increase in productivity?
 - A Less units are produced with less inputs.
 - B Less units are produced with the same inputs.
 - C More units are produced with the same inputs.
 - D More units are produced with more inputs.

2. Which of the following statements about discrimination in labour markets is true?
 - A An employer may not discriminate against an applicant if the wage demanded is higher than the minimum wage law.
 - B Profit-maximising firms will pay different wages to different genders for the same work because males perform better than females.
 - C Females earn less on average than males because males hold a disproportionate share of better paying jobs.
 - D South African employers may under certain circumstances discriminate on basis of gender.

3. Which of the following indicates shifts of the demand curve for labour to the right?

	The number of firms	The demand for the product	The productivity of labour
A	Increase	Increases	Decreases
B	Increase	Increases	Increases
C	Decrease	Decreases	Decreases
D	Decrease	Decreases	Increases

4. Which one of the following does NOT describe a **capital investment**?
 - A Raw materials of R2 million are purchased.
 - B A new packaging plant is added to the existing factory.
 - C New ovens are installed by a bakery.
 - D A firm purchases old factory equipment from a rival firm.

Analysing the uses of economic goods and services

5. Miriam and John just bought their first house. They also bought a new fridge. In the national income account, these transactions will be classified as a/an

	House	Fridge
A	consumption on durable goods.	fixed investment.
B	inventory investment.	consumption on semi-durable goods.
C	consumption on semi-durable goods.	inventory investment.
D	fixed investment.	consumption on durable goods.

6. The Gross National Product of South Africa
 - A is identical to the Gross Domestic Product of South Africa.
 - B will surpass Gross Domestic Product if the net factor payments from overseas are positive.
 - C will always be higher than Gross Domestic Product in a closed economy.
 - D will be higher in a private sector economy than in an economy where there is also a public sector that taxes the private sector.

7. The following information was taken from the National Accounts of South Africa:

	Rm
Compensation of employees	1 867 851
Net operating surplus	1 067 334
Consumption of fixed capital	553 222
Taxes on production	81 531
Subsidies on production	9 380
Taxes on products	444 871
Subsidies on production	14 476

From the given figures the following can be calculated in Rm.

	Gross value added at factor cost	Gross value added at basic prices	GDP at market prices
A	3 488 407	3 560 558	3 990 953
B	3 488 407	3 416 256	2 985 861
C	2 381 963	2 309 812	1 879 417
D	2 381 963	2 454 114	2 884 509

8. The net operating surplus refers to

- A** wages and salaries of unskilled labourers. **B** rent, interest and profits.
C depreciation. **D** basic prices consumers will pay.

South Africa's mixed economy

9. Which one of the following best describes competition in a market economy?

- A** Consumers will bid among one another on goods and services to be the highest bidder.
B Producers compete among one another in order to get the consumer's money.
C Producers produce only a few goods and let consumers compete among one another to get them.
D The fact that goods and services are scarce will lead to riots over these goods and services.

10. Country Z has an economic system whereby the government holds extensive powers in order to serve the public interest. The government will choose what goods and services are produced and to what extent. In Country Z the demand for goods and services usually exceeds the supply for goods and services. The economy of Country Z can best be described as

- A** market socialism. **B** centrally planned capitalism.
C market capitalism. **D** centrally planned socialism.

11. One difference between perfect competition and monopolistic competition is that

- A** firms in monopolistic competition have some degree of market power.
B perfectly competitive industries have a smaller number of firms.
C products are slightly differentiated among firms in perfect competition.
D there are a larger number of firms in monopolistic competition.

12. In a number of speeches by former President Thabo Mbeki he highlighted the important reality of "dualism" in the South African economy where the economic structure in South Africa combines features of a relatively advanced capitalist economy with many of the characteristics of third world underdevelopment.

Sources: Institute for African Alternatives & African Journal of Hospitality, Tourism and Leisure Vol. 1 (3) - (2011)

The best economic system to address the economic problems that South Africa is facing will be a

- A** laissez-faire approach. **B** market economy. **C** mixed economy. **D** planned economy.

The economic structure of South Africa

13. The following information was taken from the National Accounts for South Africa 2017.

Source: <http://data.un.org>

	R million
<i>Agriculture, hunting, forestry, fishing</i>	106,421
<i>Mining, manufacturing, utilities</i>	1,041,443
<i>Manufacturing</i>	551,621
<i>Construction</i>	163,307
<i>Wholesale, retail trade, restaurants and hotels</i>	626,802
<i>Transport, storage and communication</i>	411,483
Total Value Added	2 901 077

The relative contribution of the tertiary sector for 2017 was

- A** 39.6% **B** 24.6% **C** 35.8% **D** 55.7%
14. Access to economic opportunity in South Africa is not the same for all people. Which of the following does NOT constitute discrimination?
- A** The skills of labourers who apply for the same job differ.
B The race of labourers who apply for the same job differs.
C The gender of labourers who apply for the same job differs.
D The faith of labourers who apply for the same job differs.
15. The following map shows the provincial economic growth for each of the nine provinces in South Africa in 2017.



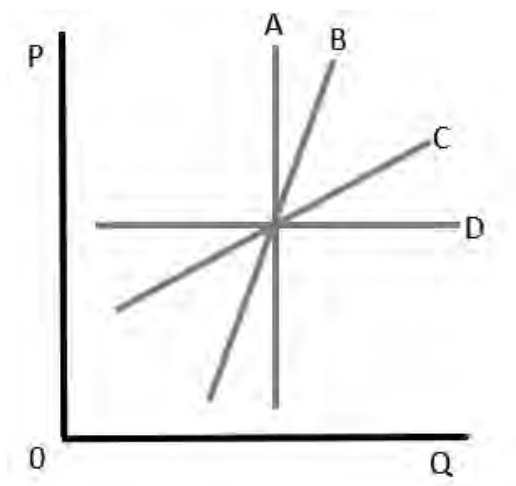
Source: <http://www.statssa.gov.za>

Mining and/or agriculture are the main contributors to most provinces' growth rate. One province experienced a severe drought and as such the growth rate was sluggish as a result of the recovery of the drought. Which province is described by this statement?

- A** Northern Cape (NC) **B** Western Cape (WC)
C Gauteng (GP) **D** Kwa-Zulu Natal (KZN)

Dynamics of markets: Price elasticity

16. What degree of price elasticity of supply is depicted by each of the following supply curves?



	Graph A	Graph B	Graph C	Graph D
A	perfectly inelastic	inelastic	elastic	perfectly elastic
B	perfectly elastic	elastic	inelastic	perfectly inelastic
C	inelastic	perfectly inelastic	perfectly elastic	elastic
D	elastic	perfectly elastic	perfectly inelastic	inelastic

17. Which one of the following is true for the price elasticity of demand and the income elasticity of demand for the following product:



	Price elasticity of demand	Income elasticity of demand
A	Negative	Negative
B	Positive	Positive
C	Negative	Positive
D	Positive	Negative

18. The sales of product Q is 10 000 units. The income elasticity is +2 and income increases by 20%. The sales of product Q will change to?

- A** 6 000 **B** 14 000 **C** 11 000 **D** 9 000

19. The cross elasticity of demand for products W and X is -2. These products are

- A** substitutes and demand is cross-price elastic.
B substitutes and demand is cross-price inelastic.
C complements and demand is cross-price elastic.
D complements and demand is cross-price inelastic.

The relationship between markets, costs and revenue

20. The price of product B, a complement of product A, increases. In this situation the
- A** demand for product A will shift to the right. **B** demand for product A will shift to the left.
C supply for product A will shift to the right. **D** supply for product A will shift to the left.
21. If the supply of building material decreases, the price of building material will increase. What will happen to the wages and quantity of builders needed?
- A** Wages will decrease and quantity of labourers needed will decrease.
B Wages will increase and quantity of labourers needed will increase.
C Wages will increase and quantity of labourers needed will decrease.
D Wages will decrease and quantity of labourers needed will increase.
22. Which one of the following statements is NOT true with regards to the market demand curve and the individual producers' demand curve in a perfect market?
- A** The individual producer is forced to sell the product at the equilibrium price.
B If the individual producer increases the selling price, the total sales will be zero.
C The individual producer will not decrease the selling price as it is able to get the equilibrium price.
D The individual producer's demand curve is inelastic at the current market price.
23. The following information indicates Firm A's short-term total costs.

Output	Total cost (R)
300	2 500
400	5 500
500	7 500
600	7 900

What is the marginal cost per item if output increases from 400 to 500 units?

- A** R4.25 **B** R25.00 **C** R4.00 **D** R20.00
24. If the quantity of inputs is changed then it follows that the quantity of outputs will change. If inputs are increased with 25% and outputs increase then with 40%, it is referred to as
- A** economies of scale. **B** constant returns to scale.
C diseconomies of scale. **D** minimum efficient scale.

Wealth, economic growth and the standard of living

25. Over the past century a larger share of the income generated by businesses is distributed to employees. Possible reasons for this increase can be:
- a) More money spend on education and training improved the skills of labourers.
b) The efficiency of labour has increased more rapidly than the productivity of capital.
c) The income generated by self-employed labourers has increased more than the increase in GDP.
d) The service-industry has implemented a lot of labour-saving technology.

The two most likely reasons are?

- A** (c) and (d) **B** (b) and (c) **C** (a) and (b) **D** (a) and (c)

26. Which one of the following assesses income distribution?
- A** The average income indicator. **B** The 90/10 share relationship.
C The Gini coefficient. **D** The perfect equality curve.
27. Which one of the following will lead to a person's original income being less unequal?
- A** Due to medical breakthroughs people can now live longer.
B The production of a new product needs more unskilled labour.
C New legislation results in pension being decreased over a broad spectrum of jobs.
D Due to capital formation more jobs are lost.
28. The Gini coefficient measures
- A** an increase in the amount of goods and services produced per head of the population over a period of time.
B a general increase in prices and fall in the purchasing value of money.
C the number or proportion of unemployed people.
D the extent to which income is skewed.
29. Country D experienced an increase in the GDP per capita. This does not mean that the quality of life of the citizens of Country D has improved because the
- A** GDP measures wealth not income in a specific time period.
B GNP per capita should rather be used.
C GDP does not take the quality of goods produced into consideration.
D GDP is only measured every few years.
30. Françoise Bettencourt Meyers, the heir to the company L'Oréal, is regarded as one of the wealthiest women in the world. Her wealth can best be described as a
- A** stock variable, measured per unit of time.
B flow variable, measured per unit of time.
C flow variable, measured at a point in time.
D stock variable, measured at a point in time.



PROVERTO

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Proverto National Olympiad 2019

Grade 11 - Round 2 Memorandum



ACCOUNTING

Topic		A	B	C	D	
Bank recon	1. eg		ANSWER	LOWER LEVEL		
	2.	ANSWER	MODERATE LEVEL			
	3.		ANSWER	HIGHER LEVEL		
	4.			ANSWER	MODERATE LEVEL	
	5.		ANSWER	LOWER LEVEL		
	6.			ANSWER	MODERATE LEVEL	
Fixed assets	7.	ANSWER	MODERATE LEVEL			
	8.		ANSWER	LOWER LEVEL		
	9.			ANSWER	MODERATE LEVEL	
	10.			ANSWER	MODERATE LEVEL	
	11.				ANSWER	HIGHER LEVEL
	12.	ANSWER	HIGHER LEVEL			
	13.		ANSWER	HIGHER LEVEL		
	14.				ANSWER	LOWER LEVEL
	15.		ANSWER	LOWER LEVEL		

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



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



BUSINESS STUDIES

Topic		A	B	C	D
Business environments	1.			Blue	Green
	2.				Blue
	3.			Blue	Yellow
	4.		Blue	Yellow	
Socio-economic issues	5.			Blue	Green
	6.				Blue
	7.				Blue
	8.		Blue	Yellow	
	9.		Blue	Red	
Business sectors	10.		Blue	Green	
	11.				Blue
	12.			Blue	Red
	13.	Blue	Red		
	14.				Blue
	15.			Blue	Yellow

Topic		A	B	C	D
Creative thinking etc.	16.				Blue
	17.			Blue	Yellow
	18.	Blue	Yellow		
	19.				Blue
Stress, crisis and change management	20.			Blue	Green
	21.	Blue	Red		
	22.	Blue	Red		
	23.		Blue	Red	
	24.	Blue	Red		
Starting a business venture	25.		Blue	Red	
	26.		Blue	Green	
	27.	Blue	Yellow		
	28.			Blue	Yellow
	29.		Blue	Red	
	30.			Blue	Red

ECONOMICS

Topic		A	B	C	D
Factors of production	1.		Blue	Green	
	2.				Blue
	3.	Blue	Yellow		
	4.				Blue
Economic goods/services	5.				Blue
	6.		Blue	Yellow	
	7.	Blue	Red		
	8.		Blue	Green	
SA mixed economy	9.		Blue	Green	
	10.				Blue
	11.	Blue	Green		
SA economic structure	12.			Blue	Red
	13.			Blue	Red
	14.	Blue	Yellow		
	15.		Blue	Red	

Topic		A	B	C	D
Price elasticity	16.		Blue	Red	
	17.	Blue	Red		
	18.		Blue	Red	
	19.			Blue	Red
Markets, cost, revenue	20.		Blue	Yellow	
	21.	Blue	Red		
	22.				Blue
	23.				Blue
	24.	Blue	Yellow		
Wealth, economic growth etc.	25.			Blue	Yellow
	26.			Blue	Green
	27.		Blue	Yellow	
	28.			Blue	Yellow
	29.			Blue	Yellow
	30.				Blue