

QUESTION 1

[15 marks]

Choose the correct answer from the following options. Encircle the correct letter of the answer.

- 1.1 Government is divided into three levels. Which one is not a level of government?
- a) Parliament
 - b) National
 - c) Provincial
 - d) Local
- 1.2 The National Assembly has _____ members.
- a) 100 – 150
 - b) 150 – 200
 - c) 250 – 300
 - d) 350 – 400
- 1.3 The current Minister of Finance is:
- a) Jacob Zuma
 - b) Nhlanhla Nene
 - c) Pravin Gordhan
 - d) Trevor Manuel
- 1.4 The _____ signs off the budget once it has been approved.
- a) Parliament
 - b) Minister of Finance
 - c) President
 - d) National Treasurer
- 1.5 _____ is not an example of a zero rated item.
- a) Lamb chops
 - b) Brown bread
 - c) Fruit
 - d) Vegetables
- 1.6 Which one of the following is not a government program launched to improve the standard of living for South Africans?
- a) AsgiSA
 - b) GEAR
 - c) CPI
 - d) RDP
- 1.7 There are four factors of production. Which one of the following is not a factor of production?
- a) Natural resources
 - b) Labour
 - c) Financial market
 - d) Capital



- 1.8 There are three aspects to the BEE Act. Identify the one that is not applicable.
- Direct empowerment through ownership
 - Skill development
 - Sharing in profit without participation
 - Indirect empowerment through preferential treatment
- 1.9 Employees are entitled to _____ days leave after 12 months.
- 21
 - 30
 - 14
 - 28
- 1.10 The current governor of the reserve bank is _____.
- Gill Marcus
 - Lesetja Kganyago
 - Naledi Pandor
 - Cyril Ramaphosa
- 1.11 The current Deputy President of South Africa is _____.
- Kgalema Motlanthe
 - Lesetja Kganyago
 - Naledi Pandor
 - Cyril Ramaphosa
- 1.12 The current unemployment rate in South Africa is _____.
- 22.2%
 - 30.1%
 - 20.5%
 - 25.3%
- 1.13 The latest inflation rate in South Africa is _____.
- 6.1%
 - 8.3%
 - 5.5%
 - 7.2%
- 1.14 Which one of the following is not a source of income for government?
- Income tax
 - Company tax
 - Excise duty
 - Medical tax
- 1.15 Government is not responsible for _____.
- Health
 - Safety
 - Food
 - Infrastructure



QUESTION 2

[15 marks]

Match the definition in column B to the correct term in column A. Only write the letter in the answer column.

COLUMN A		COLUMN B	ANSWER
2.1	Capital gains tax	A A plan that shows government's income and expenditure.	2.1
2.2	Carbon emissions tax	B Allows a person or business to transfer the tax to someone else. A third party collects tax on government's behalf.	2.2
2.3	Company tax	C Goods and services that by law are not subject to VAT.	2.3
2.4	Custom duties	D Government's main source of income. It is a fixed % levied on all profit made by companies and CC's.	2.4
2.5	Direct tax	E If a business has expenses they are allowed to deduct them from their income in order to pay less tax. This is legal.	2.5
2.6	Excise duties	F No VAT is levied because these are essential products.	2.6
2.7	Indirect tax	G Payable by employers at a rate of 1% of the total remuneration paid to employees.	2.7
2.8	National budget	H Tax levied on goods and services at each stage in the production process. The consumer carries the tax burden.	2.8
2.9	PAYE	I Tax levied on new vehicles' CO ₂ emissions. It is expected to encourage people to purchase more energy-efficient and environmentally friendly vehicles.	2.9
2.10	Skills development tax	J Tax on goods that are harmful to the body, such as cigarettes and alcohol.	2.10
2.11	Tax avoidance	K Tax on imported goods	2.11
2.12	Tax evasion	L Tax paid by individuals who receive a salary.	2.12
2.13	Value Added Tax	M Tax paid on the profit made on the sale of a second immovable assets/house.	2.13
2.14	VAT exempt items	N The person/business failing to declare income or profits. This is illegal.	2.14
2.15	Zero rated items	O When tax is levied directly on the person and the responsibility to pay the tax cannot be transferred to someone else.	2.15

QUESTION 3**[15 marks]**

Complete the following sentences by filling in the missing words.

- 3.1 _____ has the responsibility to make policies and laws about rights and responsibilities of citizens and the delivery of government services.
- 3.2 The _____ is elected by parliament and appoints a cabinet of ministers.
- 3.3 Municipalities are responsible for functions such as _____.
- 3.4 _____ refers to people who are willing and able to work, but cannot find jobs.
- 3.5 _____ is defined as a continuous and considerable increase in prices in general.
- 3.6 The acronym CPI stands for _____.
- 3.7 The basic economic problem faced by all consumers is that people have unlimited _____ and _____, but resources are limited.
- 3.8 The main participants in the economic cycle are households, _____, government and _____.
- 3.9 _____ is the amount of money the employee receives for the work that has been done.
- 3.10 _____ capital is used to purchase stock and to keep cash in the business to pay for everyday expenses.
- 3.11 _____ supports the development of historically disadvantaged persons.
- 3.12 _____ market is where financial assets are traded.
- 3.13 An _____ coordinates and combines the other three factors of production in order to produce goods and services that can be sold at a profit.

QUESTION 4

[10 marks]

State whether the following statements are true or false.

- 4.1 An unskilled worker has no formal qualifications and has most likely not finished school. _____
- 4.2 Capital is defined as only money invested in a business. _____
- 4.3 A maximum of 40 hours per week may be worked, with a meal interval of at least one hour after five hours of work. _____
- 4.4 An intrapreneur has the qualities of an entrepreneur but does not own his own business. _____
- 4.5 Employees are entitled to 30 days sick leave over a period of two years. _____
- 4.6 Management refers to the manner in which a situation is handled. _____
- 4.7 Leading as a component of management means the entrepreneur has to combine the other three factors of production to meet the objectives. _____
- 4.8 Autocratic leadership is where all employees take part in decision making and planning in the business. _____
- 4.9 Laissez-faire leadership informs workers what must be done, but does not tell them how they must achieve it. _____
- 4.10 Democratic leadership is when only one person makes all the decisions. _____



QUESTION 5

[10 marks]

Answer the following questions.

5.1 Name five of the natural resources in South Africa.

(5)

5.2 Why are natural resources important for the development of a country's economy?

(2)



5.3 Which one of the leadership styles do you think will be most effective? Give one advantage and one disadvantage of your chosen leadership style.

(3)

QUESTION 6

[35 marks]

Complete the following table:

	Sole Trader	Partnership	Close Corporation	Private Company	Public Company
Number of owners					
Name of owners					
Liability					
Profit sharing					
Type of taxation					
Advantage					
Disadvantage					



TOTAL: 100 MARKS

MEMORANDUM**MEMORANDUM
QUESTION 1****[15 marks]**

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2.13	Value Added Tax	M Tax paid on the profit made on the sale of a second immovable assets/house.	2.13 H
2.14	VAT exempt items	N The person/business are failing to declare income or profits. This is illegal.	2.14 C
2.15	Zero rated items	O When tax is levied directly on the person and the responsibility to pay the tax cannot be transferred to someone else.	2.15 F

QUESTION 3

[15 marks]

Complete the following sentences by filling in the missing words.

- 3.1 **Government** has the responsibility to make policies and laws about rights and responsibilities of citizens and the delivery of government services.
- 3.2 The **president** is elected by parliament and appoints a cabinet of ministers.
- 3.3 Municipalities are responsible for functions such as **water/electricity/refuse removal/etc.**
- 3.4 **Unemployment** refers to people who are willing and able to work, but cannot find jobs.
- 3.5 **Inflation** is defined as a continuous and considerable increase in prices in general.
- 3.6 The acronym CPI stands for **Consumer Price Index**.
- 3.7 The basic economic problem faced by all consumers is that people have unlimited **wants and needs**, but resources are limited.
- 3.8 The main participants in the economic cycle are households, **businesses**, government and **foreign sector**.
- 3.9 **Remuneration** is the amount of money the employee receives for the work that has been done.
- 3.9 **Working** capital is used to purchase stock and to keep cash in the business to pay for everyday expenses.
- 3.10 **Black economic empowerment** supports the development of historically disadvantaged persons.
- 3.11 **Financial** market is where financial assets are traded.
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QUESTION 4**[10 marks]**

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- 4.6 Management refers to the manner in which a situation is handled. True
- 4.7 Leading as a component of management means the entrepreneur has to combine the other three factors of production to meet the objectives. False
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- 4.9 Laissez-faire leader informs workers what must be done, but does not tell them how they must achieve it. True
- 4.10 Democratic leadership is when only one person makes all the decisions. False

QUESTION 5

[10 marks]

Answer the following questions.

5.1 Name any five of the natural resources in South Africa.

Minerals

Forestry

Agriculture

Fishing

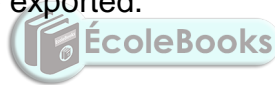
Water

(5)

5.2 Why are natural resources important for the development of a country's economy?

If it is sold to other countries it is an income into our economy. Extracting resources, and using resources in the production process leads to job creation and a stronger economy if finished goods are exported.

(2)



5.3 Which one of the leadership styles do you think will be most effective? Give one advantage and one disadvantage of that leadership style.

Autocratic/democratic/ Laissez-faire

One advantage and one disadvantage

(3)

QUESTION 6**[35 marks]**

Complete the following table:

	Sole Trader	Partnership	Close Corporation	Private Company	Public Company
Number of owners	1	minimum of 2	1-10	No limit	No limit
Name of owners	Owner	Partner	Member	Shareholder	Shareholder
Liability	Owner has unlimited liability	Jointly and severally liable	Limited	Limited	Limited
Profit sharing	Profit belongs to owner	Shared according to agreement	According to % interest held	Dividends	Dividends
Type of taxation	Taxed on owners personal capacity	Taxed on partners personal capacity	Company tax	Company tax	Company tax
Advantage					
Disadvantage					

TOTAL: 100 MARKS