



UNIVERSITY OF JOHANNESBURG
FACULTY OF EDUCATION
JULY
SUPPLEMENTARY EXAMINATION 2017

PROGRAMME: B Ed
MODULE: Economic Management Science
CODE: EMSIPA3
TIME: 2 hours
MARKS: 100
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MODERATOR: Mr Mothofela Msimanga (APK campus UJ)

(This paper consists of 4 pages)

INSTRUCTIONS

Read the following instructions carefully before answering the questions.

1. Answer all the questions. There are three short and three long questions.
2. Write down the question numbers exactly as they appear in the examination paper.
3. Start each new question on a new page in your examination booklet.

QUESTION 1

- 1.1 Give two examples of bartering in modern day society (not a traditional society) (2)
1.2 Give two examples of the effects of disasters on businesses. (2)
1.3 Provide two advantages of electronic banking. (2)
1.4 Define the following terms:
 1.4.1 Producer. (1)
 1.4.2 Consumer. (1)
 1.4.3 Creditor. (1)
 1.4.4 Deficit. (1)
[10]

QUESTION 2

Read the following statements and state whether they are True or False. Write only the question number and the correct answer.

- 2.1 Traditional societies were basically self-sufficient.
2.2 Informal businesses are required by government to register all their employees.
2.3 Households can only be consumers of goods and services.
2.4 Manufacturing businesses only produce finished goods for immediate use.

- 2.5 Informal businesses take longer to recover from natural disasters.
- 2.6 Health epidemics affect both formal and informal businesses.
- 2.7 Some products can be an example of both goods and services.
- 2.8 Formal and informal businesses make products to sell to consumers.
- 2.9 Only informal businesses can be consumers.
- 2.10 Formal businesses may become very large and sell their products in other countries.

(10x1) [10]

QUESTION 3

Match descriptions in column A with the terms in column B. Write only the number and the corresponding letter e.g. 3.1 A.

Column A	Column B
3.1 Money invested by the owner to start a business.	A. Current assets
3.2 An example of personal income.	B. Budget
3.3 Assets that will be converted into cash within a year.	C. Fixed deposit
3.4 Cash register, computer and printer.	D. Salary
3.5 A plan of how much money you will have and how you will spend it.	E. Transaction
3.6 A statement that describes a financial situation of a person or business, as it is at a certain moment.	F. Profit
3.7 Money invested for a long period normally longer than a year.	G. Capital
3.8 Income exceeds the expenses.	H. Current liability
3.9 Bank overdraft.	I. Statement of net worth
3.10 Any action (buying or selling) where money is involved.	J. Equipment

(10x1) [10]

QUESTION 4

Sipho is finishing school and is considering moving out of his parents' house. He would like to draw up a list of his assets and liabilities to see how wealthy he is and whether (or not) he can afford to live on his own. He looks around his bedroom to decide what belongs to him. His parents have told him that certain assets are his, such as his bed, table and chair. He also owns other items, which were either birthday presents or items bought with his pocket money. Below are the things he presently has in his possession:

- a). Furniture in his room R2 300 b). Clothes R3 000
- c). Radio with CD Player R550 d). Books R200
- e). Cash in his wallet R50 f). Savings account at the bank R625
- g). Two of the neighbours in his street owe him R60 each for washing their cars.

4.1 Use the information given above to analyse Sipho's assets.

4.1.1 Prepare a list of assets owned by Sipho, by showing all his assets and their values. Calculate Sipho's total wealth. (8)

4.1.2 Classify each item from a) – g) as a fixed asset or current asset. Only write down a) and the correct answer (e.g. a) fixed asset). (7)

4.2 Sipho has the following liabilities:

- a) He borrowed R20 from his sister to buy air time for his mobile phone.
- b) He owes his father R35, which he has to pay back by the end of the month.
- c) He borrowed R2400 from his uncle to buy his bicycle. Sipho will pay back his uncle R100 per month over two years and will only start paying back this debt in 12 months' time.

4.2.1 What is the total amount Sipho owes his uncle? (1)

4.2.2 What is the total amount of his liabilities? (1)

4.2.3 Classify liabilities in item 4.2 a – c above by advising whether the liability is a current liability or long term liability. (4)

4.2.4 What is Sipho's net worth? Show the calculations. (3)

4.2.5 Comment on Sipho's net worth, based on affordability. (1)

[25]

QUESTION 5

Your friend Thandi has been struggling to find a job. She knows that you studied Economic Management Science and decided to ask you for advice on starting her own hairdressing business.

Write a two-page **essay** with the following structure to describe your discussion with Thandi for her to decide on whether she should start her own hairdressing business:

- Introduction – provide a brief description of entrepreneurship.
- Body – consider strategies she should consider in creating a demand for her services and generating a profitability business.
- Conclusion

[25]

QUESTION 6

In a one-and-a-half-page essay discuss the causes of socio-economic imbalances in South Africa and consider possible measures to combat inequality and poverty; and create employment.

Marks will be allocated for:

- Introduction (with a definition of socio-economic imbalances)
- Relevant aspects relating to the causes of socio-economic imbalances in South Africa.
- A detailed analysis of possible measures you will put in place to combat inequality and poverty; and create employment.
- Conclusion

[20]

TOTAL: 100

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