



UNIVERSITY OF JOHANNESBURG
FACULTY OF EDUCATION
JUNE 2018 EXAMINATION

PROGRAMME: B. Ed. Intermediate Phase
MODULE: Economic Management Science
CODE: EMSIPA3
TIME: 2 hours
MARKS: 100
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(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 Name two characteristics of money. (2)
- 1.2 How can we recycle or reuse goods to satisfy needs and wants? (2)
- 1.3 Name two effects that health epidemics can have on businesses. (2)
- 1.4 Briefly explain two skills of an entrepreneur. (2)
- 1.5 Name two different types of inequality. (2)

[10]

QUESTION 2

Indicate whether the following statements are **True or False**. Write only the question number and the correct answer.

- 2.1 Households can only be consumers of goods and services.
- 2.2 Economic wealth of a country can be achieved through renewable or non-renewable resources.
- 2.3 Some products can be an example of both goods and services.
- 2.4 Variable costs stay the same regardless how many articles are produced.
- 2.5 Food, clothing and shelter are secondary needs.
- 2.6 Bartering is the exchange of a good or service for another good or service without using money.
- 2.7 An example of a business expense is staff salaries or wages.
- 2.8 Countries can produce all the goods the population needs.
- 2.9 Socio-economic imbalances can be caused by the uneven distribution of social and economic resources.
- 2.10 Only informal businesses can be consumers.

(10x1)[10]

QUESTION 3

Choose the word from the block below that is **BEST** described by the sentence below. Only write the letter next to the correct number.

A) Current Asset	B) Income Statement	C) Revenue	D) Poverty
E) Payee	F) Automation	G) Sustainable	H) Receiver
I) Inputs	J) Statement of net worth.	K) Labour	L) Dividend

- 3.1 When something is capable of being maintained and continued.
- 3.2 When an income is too low to meet a person or family's basic needs.
- 3.3 A statement that describes a financial situation of a person or business, as it is at a certain moment.
- 3.4 Bank overdraft.
- 3.5 Money that comes into a business from the sale of goods or services.
- 3.6 Income paid to shareholders or owners of their investment in the business.
- 3.7 Somebody to whom money is paid or is due.
- 3.8 Machines replacing manual work.
- 3.9 Work that is done directly when the goods or services are being produced.
- 3.10 The resources and labour that a business needs to produce its goods.

(10x1)[10]

QUESTION 4

The Adams family lives in a small house in Johannesburg. There are four family members and they each contribute to the household income. Their individual contributions are as follows:

Mrs. Adams has a full-time job working in a bakery. Her wages are R1200 per week plus R25 per hour when she works overtime.

Mr. Adams works part-time as an Uber driver three days a week. He earns R300 per shift.

Simon Adams, their son, works for the local coffee shop as a waiter. He works on Monday afternoons and Wednesday afternoons as well as on Saturday mornings. He is paid R200 per shift plus tips. On average, he receives R100 in tips per week.

Kelly, the Adams' daughter, also works at the same bakery in her spare time. She usually works on Tuesday afternoons and Wednesday afternoons. She gets paid R150 per shift.

The Adams's monthly expenses are: Rent R5000, Transport R900, Clothes R2000, Groceries R3000, Electricity R400, Caring for grandparents R1500.

Mrs. Adams likes to treat the family to fast foods from McDonalds or KFC weekly and makes sure that the family always wear the latest fashions by buying clothing regularly from clothing retail stores. Mrs. Adams currently owes all these clothing stores varying amounts of money.

- 4.1 Make a list of the fixed personal income earned by each member of the Adams family and calculate the Adams's total fixed income. (5)
- 4.2 Variable income:
 - 4.2.1 Calculate what Mrs. Adams' income will be if she works two hours overtime per week in a five-week month. (1)
 - 4.2.2 How much income can Simon earn if he is paid tips each week in a five-week month? (1)
 - 4.2.3 Calculate the total variable income for the Adams family. (3)
- 4.3 How much is the total expenses of the Adams family? Use two sentences to explain how the fixed and variable income earned by the family can influence their monthly budget. (5)
- 4.4 Use your calculations and information above to give the Adams family advice on how they can cut down on their expenses. (Use five sentences) (10)

[25]

QUESTION 5

In South Africa there is still a large number of people living in rural societies, even though the country has highly developed modern cities. South Africa's rural societies are amongst the poorest in the world. The people in these areas have limited access to employment, education, housing and health services.

Use your knowledge of Economic Management Sciences to write a one and a half page essay on the challenges of urban and rural poverty in South Africa, and give suggestion/recommendations of how these challenges can be overcome.

Your essay must include the following:

Introduction

Challenges faced

Recommendations/Solutions

Conclusion

[25]

QUESTION 6

Read the case study below and answer the questions that follow:

TINY TOTS FACTORY

Lenny Mabaso is the general manager of a factory that manufactures a variety of good quality toys. The toys are successfully marketed locally as well as globally.

The factory uses modern machinery and equipment in the production process, which has helped them to keep their prices low in a very competitive market. The factory has a relatively small workforce and no counseling and support services for workers. The workers are loyal to Lenny and he often gives them food vouchers to use on weekends. At times some of the workers have made suggestion to about improving the factory layout, but Lenny doesn't want to change anything. Lenny recently read about the problem of HIV/ AIDS and unemployment in the community in the local newspaper. He has also noticed that crime seems to be on the rise in the area.

Some of Lenny's workers are concerned that Lenny might decide to automate more of his factory and that they might lose their jobs to machines. They are considering taking the matter to a Trade Union.

- 6.1 Assist Lenny in drawing up a SWOT analysis for Tiny Tots Factory. (12)
- 6.2 Write a short paragraph advising Lenny on changes he can make in the factory and community based on your SWOT analysis. (8)

[20]

[TOTAL 100]