

# SMARTWIZ

## GRADE 9 EMS EXAM

**MARKS: 80**

MARKS	

**TIME: 2 hours**

**SCHOOL** \_\_\_\_\_

**CLASS (e.g. 4A)** \_\_\_\_\_

**SURNAME** \_\_\_\_\_

**NAME** \_\_\_\_\_

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### Instructions for Students:

- > Read all instructions carefully before beginning the exam.
- > Write your name and student ID clearly on the answer sheet/booklet.
- > Answer all questions unless otherwise stated.
- > Show all your work/calculations where applicable.
- > Write clearly and legibly.
- > Use blue or black ink only. \* Do not use correction fluid/tape.
- > No electronic devices (calculators, phones, etc.) are allowed unless explicitly permitted.
- > Raise your hand if you have any questions.
- > Do not talk to other students during the exam.
- > Any form of cheating will result in disqualification.

**This test consists of 8 pages, excluding the cover page.**

## SECTION A: ECONOMIC CYCLES (25 MARKS)

### QUESTION 1: THE CIRCULAR FLOW OF INCOME (10 MARKS)

1.1 Define the term **circular flow of income**.

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1.2 Name the four participants in the circular flow model.

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

1.3 Describe the role of households and businesses in this model.

Households: \_\_\_\_\_

Businesses: \_\_\_\_\_

1.4 What is the function of the government in the circular flow of income?

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### QUESTION 2: THE BUSINESS CYCLE (15 MARKS)

2.1 What is a business cycle?

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2.2 Name the four phases of the business cycle.

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

2.3 Explain what happens to employment during a recession.

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2.4 Why is the recovery phase important to the economy?

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## SECTION B: ACCOUNTING CONCEPTS (30 MARKS)

### QUESTION 3: ACCOUNTING EQUATION (15 MARKS)

3.1 State the basic accounting equation.

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3.2 Complete the table below using the equation:

Transaction	Assets (R)	Owner's Equity (R)	Liabilities (R)
Owner starts business with R10 000 cash			
Buys equipment for R2 000 cash			
Takes a loan from the bank: R5 000			
Purchases stock on credit: R3 000			

(✓✓ per correct row)

3.3 Why must the accounting equation always balance?

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#### QUESTION 4: INCOME AND EXPENSE ACCOUNTS (15 MARKS)

4.1 Define the terms:

- a) **Income** – \_\_\_\_\_  
 b) **Expense** – \_\_\_\_\_

4.2 State whether each item below is income or an expense:

- a) Sales \_\_\_\_\_  
 b) Rent paid \_\_\_\_\_  
 c) Telephone costs \_\_\_\_\_  
 d) Interest received \_\_\_\_\_ ✓✓

4.3 Explain the effect of income and expenses on profit.

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### SECTION C: THE BUSINESS WORLD (25 MARKS)

#### QUESTION 5: FORMS OF OWNERSHIP (15 MARKS)

5.1 Name and describe three forms of ownership.

- a) \_\_\_\_\_  
 b) \_\_\_\_\_  
 c) \_\_\_\_\_

5.2 Which form of ownership is best for a person who wants full control of their business? Why?

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5.3 What is limited liability and which form(s) of ownership provide it?

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**QUESTION 6: CAREER OPPORTUNITIES IN BUSINESS (10 MARKS)**

6.1 What is a career?

6.2 List four careers in the field of EMS.

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

6.3 Why is it important to choose a career that matches your interests and strengths?

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**TOTAL : 80**

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## **MEMO**

### **SECTION A: ECONOMIC CYCLES (25 MARKS)**

#### **QUESTION 1: THE CIRCULAR FLOW OF INCOME (10 MARKS)**

1.1

- The circular flow of income is a model that shows how money moves through the economy between households, businesses, the government, and the foreign sector. ✓✓

1.2

- a) Households ✓
- b) Businesses ✓
- c) Government ✓
- d) Foreign sector ✓

1.3

Households: Provide labour and consume goods/services. ✓

Businesses: Produce goods/services and pay wages. ✓

1.4

- The government collects taxes and provides public services, contributing to the flow of income and spending. ✓✓

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#### **QUESTION 2: THE BUSINESS CYCLE (15 MARKS)**

2.1

- The business cycle is the natural rise and fall of economic growth that occurs over time. ✓✓

2.2

- a) Expansion ✓
- b) Peak ✓
- c) Recession ✓
- d) Recovery ✓

2.3

- Employment decreases because businesses reduce costs by cutting jobs. ✓✓

2.4

- Recovery brings back growth, more jobs, and confidence in the economy. ✓✓

## SECTION B: ACCOUNTING CONCEPTS (30 MARKS)

### QUESTION 3: ACCOUNTING EQUATION (15 MARKS)

3.1

- Assets = Owner's Equity + Liabilities ✓✓

3.2

Transaction	Assets	Owner's Equity	Liabilities
Owner starts business with R10 000 cash	10 000	10 000	0 ✓✓
Buys equipment for R2 000 cash	10 000	10 000	0 ✓✓
Takes a loan from the bank: R5 000	15 000	10 000	5 000 ✓✓
Purchases stock on credit: R3 000	18 000	10 000	8 000 ✓✓

3.3

- Because every transaction affects two accounts and the balance must reflect the financial position correctly. ✓✓

### QUESTION 4: INCOME AND EXPENSE ACCOUNTS (15 MARKS)

4.1

- Income – Money received by a business for selling goods or services. ✓
- Expense – Costs the business pays to operate. ✓

4.2

- Sales – Income ✓
- Rent paid – Expense ✓
- Telephone costs – Expense ✓
- Interest received – Income ✓✓

4.3

- Income increases profit, while expenses reduce profit. ✓✓

## **SECTION C: THE BUSINESS WORLD (25 MARKS)**

### **QUESTION 5: FORMS OF OWNERSHIP (15 MARKS)**

5.1

- a) Sole trader – One owner who takes all the risk and profit. ✓
- b) Partnership – Two or more people share ownership and responsibilities. ✓
- c) Private company – A business with shareholders, limited liability. ✓

5.2

- Sole trader, because the person makes all the decisions and keeps all profit. ✓✓

5.3

- Limited liability means that personal assets are protected; applies to companies (e.g., Pty Ltd). ✓✓

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### **QUESTION 6: CAREER OPPORTUNITIES IN BUSINESS (10 MARKS)**

6.1

- A career is a long-term occupation in a particular field that a person chooses to pursue. ✓✓

6.2

- a) Accountant ✓
- b) Financial advisor ✓
- c) Business manager ✓
- d) Entrepreneur ✓

6.3

- Because you're more likely to succeed and enjoy your job, which leads to motivation and productivity. ✓✓

**TOTAL : 80**