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Proverto National Olympiad 2019

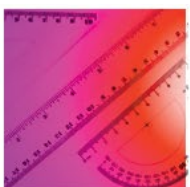
Grade 10 - Round 1

Instructions to Candidates:

1. You have been provided with a question paper and red answer sheet. Make sure you have the correct paper for your grade.
2. The question paper consists of 3 sections with 30 multiple choice questions per section: Section A – Accounting; Section B – Business Studies; and Section C – Economics. You can choose which sections you want to complete. *(You can write 1, 2 or all 3 sections.)*
3. The red answer sheet has 3 sections. Please answer the section on the space provided for the subject; Example if you are answering the Accounting questions you must mark the correct answer in the Accounting block on the answer sheet. Each section will be marked separately.
4. Each question have 4 possible answers (A, B, C, or D). Only one answer is correct.
5. See the instructions on the answer sheet on how to mark the correct answer, failing to comply with the instructions can lead to disqualification.



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



Control Accounts

Questions 11 to 20 relate to the General Ledger control accounts provided.

You are provided with information regarding Deason General Suppliers for September 2019.

Information:

The following information was taken from the journals for September 2019.

- CASH RECEIPTS JOURNAL

Bank	Sales	Cost of sales	Debtors control	Discount allowed	Creditors control	Sundry accounts
?	18 000	8 000	15 500	380	420	10 000

- CASH PAYMENTS JOURNAL

Bank	Trading stock	Creditors control	Wages	Discount received	Equipment	Sundry accounts
21 150	8 530	?	500	2 500	1 420	3 000

- DEBTORS JOURNAL

Sales	Cost of sales
13 500	?

- DEBTORS ALLOWANCES JOURNAL

Debtors Allowances	Cost of sales
1 450	500

- CREDITORS JOURNAL

Creditors control	Trading stock	Stationery	Packing material	Equipment	Sundry accounts
?	4 200	180	430	5 600	130

- CREDITORS ALLOWANCES JOURNAL

Creditors Control	Trading Stock	Stationery	Packing material	Equipment	Sundry accounts
1 530	830	0	50	650	0

Bank

Sep	01	Balance	b/d	8 450	Sep	30	Sundry accounts		
	30	Sundry accounts					(Total payments)	CPJ	21 150
		(Total receipts)	CRJ	①					

Creditors control

Sep	30	②	CPJ	②	Sep	01	Balance	b/d	5 480
		Sundry accounts				30	Sundry accounts		
		(Total returns)	CAJ	1 530			(Total purchases)	?	③
							Bank	?	④

Trading stock

Sep	01	Balance	b/d	5 350	Sep	30	Cost of sales	CRJ	8 000
	30	Bank	CPJ	8 530			Cost of sales	DJ	⑤
		Creditors control	CJ	4 200			⑥	⑥	⑥
		⑦	⑦	⑦			Balance	c/d	⑧
Oct	1	Balance	b/d	⑧					

11. Calculate the value for number ① on the debit side of the Bank account.
- A** R43 540 **B** R52 300 **C** R51 540 **D** R44 300
12. Complete the outstanding contra account information (number ②) on the debit side of the Creditors control account.
- A** Bank and Discount received **B** Bank
C Discount received **D** Sundry accounts (total receipts)
13. Calculate the value of number ② on the debit side of the Creditors control account
- A** R5 200 **B** R5 700 **C** R6 200 **D** R6 700
14. Calculate the value of number ③ on the credit side of the Creditors control account.
- A** R1 530 **B** R10 540 **C** R420 **D** R12 160
15. Study the reasons below. Which one of the reasons CANNOT be attributed to supporting entry number ④ on the credit side of Creditors control account?
- A** Incorrect cheque was offered for payment **B** Cancellation of discount received
C Creditors refund **D** Correction of error (overstated) in the CPJ
16. Calculate the value for number ⑤ on the credit side of the Trading stock account.
- A** R8 000 **B** R10 800 **C** R6 000 **D** R8 835
17. Complete entry number ⑥ on the credit side of the Trading stock account.

	Account	Fol	Amount
A	Bank	CRJ	10 000
B	Cost of sales	DAJ	500
C	Creditors allowances	CAJ	1 530
D	Creditors control	CAJ	830

18. Complete entry number ⑦ on the debit side of the Trading stock account.

	Account	Fol	Amount
A	Bank	CRJ	10 000
B	Cost of sales	DAJ	500
C	Creditors allowances	CAJ	1 530
D	Creditors control	CAJ	830

19. Calculate the correct balance (number ⑧) for the Trading stock account at the end of September 2019.
- A** R3 750 **B** R4 410 **C** R1 750 **D** R3 050
20. Sound internal control requires that the trading stock's book value is regularly checked. How is it checked?
- A** Via the trial balance **B** Via physical stocktaking
C Via the creditors and debtors lists **D** Balancing off the account

Questions 21 to 24 relate to the General Journal provided.
General Journal of Fancy Dress Suppliers for March 2019

AJ 01

Day	Details	Fol	Debit	Credit	Debtors Control		Creditors Control	
					Debit	Credit	Debit	Credit
21	Bad debts		108					
	A Human			108		108		
	<i>Insolvent estate, 40 cents in the rand, is written off.</i>							
22	Max Dealers		840				840	
	Maximum Suppliers			840				840
	<i>Correction of error</i>							
23	Equipment		3 500					
	Trading stock			3 500				
	<i>Correction of error</i>							
24	M Molefe		45		45			
	Discount allowed			45				
	?							

Study the General Journal and answer the following questions:

21. Which amount was received from the A. Human insolvent estate and recorded in the Cash Receipts Journal?
- A** R72 **B** R270 **C** R180 **D** R162
22. Identify the correct transaction from the four given options for entry on March 22, 2019.
- A** Goods purchased from Max Dealers were incorrectly recorded in Maximim Supplier's Creditors ledger account.
B Payment to Maximum Suppliers was incorrectly recorded in Max Dealers' Creditors ledger account.
C Goods returned to Max Dealers were incorrectly debited to Maximum Suppliers account in the Creditors ledger.
D Max Dealers charge interest on overdue account, which was incorrectly added to the Maximum Suppliers Creditors ledger account.
23. Identify the correct transaction from the four given options for the entry on March 23, 2019.
- A** Equipment returned to a creditor was wrongly recorded as Trading stock in the CAJ.
B Trading stock purchased at R8 000 was incorrectly recorded as R4 500 in the CPJ.
C Equipment purchased for cash was incorrectly recorded in the Trading stock column in the CPJ.
D Trading stock purchased on credit was wrongly recorded in the Equipment column in the CJ.
24. Choose the correct journal narration (reason) for the entry on March 24, 2019.
- A** Correction of error (Discount omitted on M Molefe's account)
B Correction of error (Goods returned was incorrectly recorded as discount in M. Molefe's account)
C Correction of error (Discount allowed was incorrectly recorded on the wrong side of M. Molefe's account)
D Cancellation of discount on R/D cheque

Trial balance

Questions 25 to 30 relate to the given Trial Balance.

Trial balance of TMC Dealers on October 31, 2019

Balance Sheet Accounts Section	Fol	Debit	Credit
Capital	B1		210 000
Drawings	B2	13 500	
Land and buildings	B3	280 000	
Vehicles	B4	166 000	
Equipment	B5	?	
Trading stock	B6	1 200	
Debtors control	B7	4 600	
Bank	B8	?	?
Petty cash	B9	500	
Loan: Nedbank (15% p.a.)	B10		250 000
Creditors control	B11		1 680
Nominal accounts section			
Sales	N1		413 900
Cost of sales	N2	222 850	
Debtors allowances	N3	12 770	
Rent income	N4		?
Current income	N5		15 900
Salaries and wages	N6	45 000	
Stationery	N7	600	
Packing materials	N8	840	
Water and electricity	N9	6 300	
Interest on loan	N10	?	
Telephone	N11	3 300	
		?	?

Additional information:

- The financial period for the above trial balance is from 1 January 2019 to 31 October 2019.
- Bank shows an overdraft balance of R5 180.
- Nedbank's loan was increased by R50 000 on 1 June 2019, which was already recorded. All interest on loan has been paid to date.
- Rent amounts to R2 800 per month, rent was received in advance until 30 November 2019.

25. Which of the errors below will NOT be indicated by a trial balance?

- A** The amount that was debited and credited differed.
- B** Journal totals were incorrectly posted in value and on the wrong side of the General ledger.
- C** Balancing off was done on the wrong side of the account.
- D** Wrong contra-account was used with posting to the General ledger.

- 26.** Why are folio references used throughout the bookkeeping process?
- A** This ensures easy and quick cross-reference between source documents, journals, ledgers and trial balances.
 - B** This ensures that a debit and credit transfer to the ledger takes place.
 - C** This ensures that the correct profit is shown at the end of the accounting period.
 - D** This ensures that the accounting equation is balancing at all times
- 27.** Calculate the outstanding amount for interest on loan as it should appear on the trial balance.
- A** R28 125
 - B** R37 500
 - C** R31 250
 - D** R27 500
- 28.** Calculate mark-up percentage used by TMC Dealers.
- A** 85,7%
 - B** 91,4%
 - C** 80%
 - D** 186%
- 29.** Calculate the total amount of rent income as it should appear on the trial balance.
- A** R33 600
 - B** R30 800
 - C** R28 000
 - D** R2 800
- 30.** Calculate the outstanding value for Equipment.
- A** R132 140
 - B** R122 140
 - C** R131 515
 - D** R141 875

Business Environments

1. A business has many objectives it would like to achieve. An objective is...
 - A picturing where the business would like to be in the future.
 - B the actual achievement of the enterprise
 - C achievable targets which help coordinate business activities in the direction of the mission statement.
 - D variables in the enterprise which have a positive or negative effect on the growth and survival of the company.

2. Organisation and management is part of which environment?
 - A Macro
 - B Micro
 - C Market
 - D Tertiary

3. Refer to the following extract and answer the question that follows:

"To be the fastest growing, most rewarding and most transformative leadership community." – Mandala Leaders

Identify the type of statement made in the above extract?
 - A Goal
 - B Vision
 - C Mission
 - D Objective

4. The basic economic problem is that:
 - A limited needs have to be satisfied by the use of limited scarce resources
 - B limited needs have to be satisfied by the use of unlimited scarce resources
 - C unlimited needs have to be satisfied by the use of limited scarce resources
 - D unlimited needs have to be satisfied by the use of unlimited scarce resources

5. Trying to put a product on the market that is better than those of the competitors is a good example of what?
 - A Problem-solving
 - B Micro-environment
 - C Creative thinking
 - D Macro-environment

6. The term refers to the continuous and significant increase in prices of goods and services?
 - A Globalisation
 - B Inflation
 - C Competition
 - D Recession

7. What is the current South African inflation rate?
 - A 8% – 10%
 - B 10% -12%
 - C 4% - 6%
 - D 20% - 30%

8. Explain the definition of a business's competitors.
 - A buy the products and services which an enterprise has on offer.
 - B refer to the challenges and influences that present themselves from immediately outside the business.
 - C are other businesses which offer the same or similar goods and services to consumers.
 - D are firms and individuals that provide the resources needed by the business enterprise to produce its goods and services.

9. The abbreviation SWOT analysis stands for:
- A Strengths, Weaknesses, Opportunities and Threats
 - B Steps, Wellbeing, Overturned and Teaching.
 - C Still, Weapons, Order and Tasks.
 - D Systems, Work, Outcome and Transit.
10. You have spotted _____ if you have identified a gap in the market.
- A a legal opportunity
 - B business ethics
 - C a business opportunity
 - D a business plan
11. Outline why trade unions form part of the market environment and not the macro environment.
- A Trade unions are beyond businesses' control.
 - B Trade unions have no say in how businesses operate.
 - C Trade unions do not have a direct influence over the business.
 - D Trade unions can be influencers through good business practices.

12. Intermediaries can be defined as

- A people or organisations that supply the business with a specific input.
- B businesses that offer similar products or services in competition with the business.
- C people or businesses that ensure that the outputs of a business get to the consumer.
- D businesses that manufacture products for a specific purpose.

13. Refer to the following extract and answer the question that follows:

High unemployment and low incomes is at the heart of many of the socio-economic development challenges. Problems resulting from this include crime, hopelessness, a state of inequality, and the poverty cycle.

Adapted from: (<https://umsizi.co.za/socio-economic-development-challenges/>), accessed 12/03/2019

Rank the following socio-economic issues in order of most critical to less critical in South Africa.

1. Poverty
2. Low income
3. Unemployment
4. Crime

- A 3, 2, 4, 1
- B 1, 2, 3, 4
- C 1, 4, 2, 3
- D 4, 3, 2, 1

14. The business function that is responsible for keeping all records that will assist management in the decision making process.
- A General management function
 - B Financial function
 - C Administrative function
 - D Human resource function

Interrelationships between environments

15. The introduction of cell phone banking is an example of how the _____ environment can influence business operations in the micro environment.
- A** economic **B** technological **C** international **D** global
16. The relationship between the micro and market environment can generate what type of response?
- A** Strength **B** Weakness
C Opportunity and Threat **D** Resources
17. The procurement staff need to be in close communication with which function in order to maintain the quality of goods.
- A** Market function **B** Production function
C Administration function **D** Macro function
18. Poor functioning in the cross-cutting of support functions is likely to lead to what type of performance for the business?
- A** Poor performance **B** Good performance
C Profit performance **D** Customer performance
19. Which of the companies below has a monopoly over the South African market?
- A** Telkom **B** Pick'n Pay **C** Edgars **D** Eskom

Business sectors

20. A cool drink company like Coca-Cola can be seen as a business functioning in the _____.
- 1 primary sector
2 secondary sector
3 tertiary sector
- Choose the correct option.**
- A** 1 and 2
B all of the above
C 2 and 3
D none of the above
21. Most tasks in a bakery are performed by the bakers. A bakery is referred to as a _____ intensive business.
- A** capital **B** labour **C** material **D** agricultural
22. The availability of water, electricity, transport, and labour within an area is known as _____.
- A** infrastructure **B** capital layout **C** investment **D** assets

Basic economic concepts

1. Economics is a study of
 - A everyday activities that influences the life of all people on the planet.
 - B limited means to satisfy the unlimited needs and wants of people.
 - C how to use scarce resources in order to obtain the highest profit.
 - D the basic needs and wants of people and how these are addressed by means of utilising scarce resources.

2. The choice of using product A instead of using product B to satisfy a need or want gives rise to the economic concept of
 - A scarcity.
 - B marginal utility.
 - C demand.
 - D opportunity costs.

3. As a science, Economics are classified as a
 - A social science.
 - B economical science.
 - C financial science.
 - D management science.

4. A study of the wool market in South-Africa will be classified under
 - A positive economics.
 - B normative economics.
 - C micro-economics.
 - D macro-economics.

The economic problem

5. If the price of product A is R0 and the demand for product A is greater than the supply of product A, then product A
 - A can be seen as unproductive
 - B is scarce
 - C has zero utility
 - D unlimited

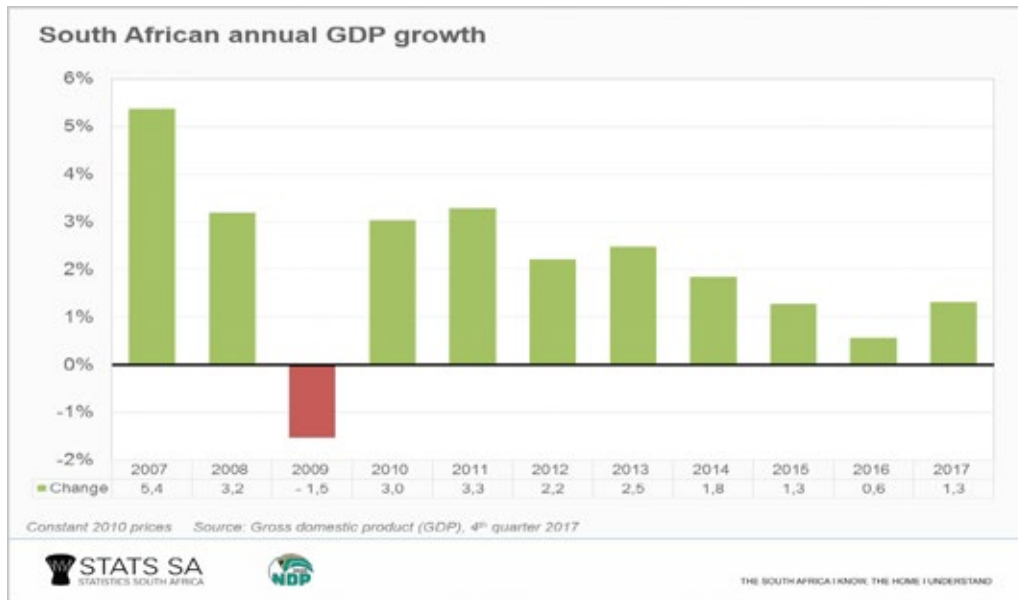
6. If 20 learners want to purchase hamburgers and only 12 hamburgers are available at the tuck shop, then hamburgers are seen as
 - A an unlimited supply
 - B an unlimited demand
 - C relatively scarce
 - D absolutely scarce

7. The air that is used by the scuba diver in the picture is an example of a/an



- A free good.
- B unlimited good.
- C economic good.
- D supply.

15. Study the following graph indicating the South African annual GDP growth rate.



Source: Stats SA, <https://www.thesouthafrican.com/gdp-south-africa-march-2018/>

Which ONE of the following factors would possibly have the greatest effect on the change in the growth rate in South Africa between 2016 and 2017?

- A The agricultural sector produces less as a result of drought and as such imports of agricultural products have to increase.
 - B The mining industry pushes growth forward as there is an increase in the demand for minerals in both local and international markets.
 - C The minimum wages of unskilled workers are set at a rate much higher than the inflation rate.
 - D More skilled labour is leaving the country to work overseas as they are paid much better in foreign countries and they are paid in Dollars.
16. Which of the following indicates leakages in an open economy?
- A Foreign loans, consumer expenditure and imports
 - B Foreign investments, consumer expenditure on local goods and factor of production remuneration
 - C Investments, government expenditure and exports
 - D Savings, taxes and imports
17. Semi-durable consumer goods are final goods
- A where the consumption is for a limited period.
 - B where the goods can be used over and over and consumption lasts for more than one year.
 - C that are used up the first time they are consumed.
 - D that are intangible things a consumer gets from a service provider

Quantitative elements

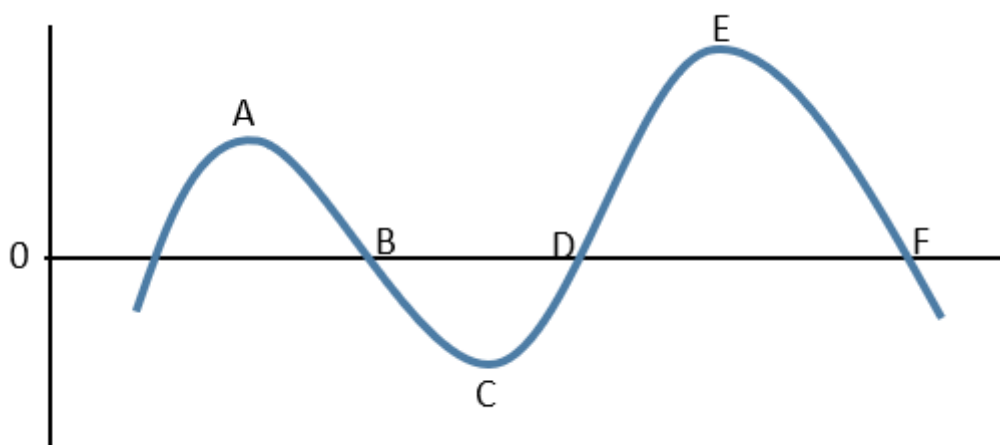
18. The definition of gross domestic product (GDP) states that the GDP
- A indicates the number of economic goods and services produced within a year
 - B describes the value of goods and services that are used as inputs in the production of other goods and services
 - C measures the production of final goods and services produced within the boundaries of South Africa, irrespective if it was produced by permanent citizens or people from other countries.
 - D is measured over time in order to eliminate seasonal fluctuations and the effect of inflation

The following table shows the GDP at basic prices. Study the table and answer question 19 to 20

	2016	2017	2018
Primary sector	264 700	262 000	289 800
Secondary sector	459 300	477 700	510 900
Tertiary sector	1 320 100	1 436 800	1 606 000

19. The percentage change in GDP from 2017 to 2018 is
- A 10,57%. B 9,56%. C 6,08%. D 15,07%.
20. The biggest change in relative contribution between 2017 and 2018 was in the _____ sector. This change was _____%.
- A Primary sector; -1% B Primary sector; +1%
 C Tertiary sector; -1% D Tertiary sector; +1%
21. An increase in the real GDP over time indicates
- A that the remuneration of labour, i.e. wages, salaries and contributions to pension and medical funds have increased more than the production levels.
 B That natural resources are utilised more effectively thus economic development takes place
 C An increase in the number of goods and services available for consumption which leads to economic development
 D The increase in the GDP is the result of higher prices and costs.
22. The definition of a business cycle has certain important implications. Which one of the following holds TRUE for a business cycle?
- A The trend of a business cycle is more important than the short-term fluctuations in economic activities.
 B The change in gross national product (GNP) on a year-to-year basis is used as measure
 C An decrease in economic activities is sure to be followed by a even greater decrease in economic activities.
 D A contraction indicates an decrease in GNP.

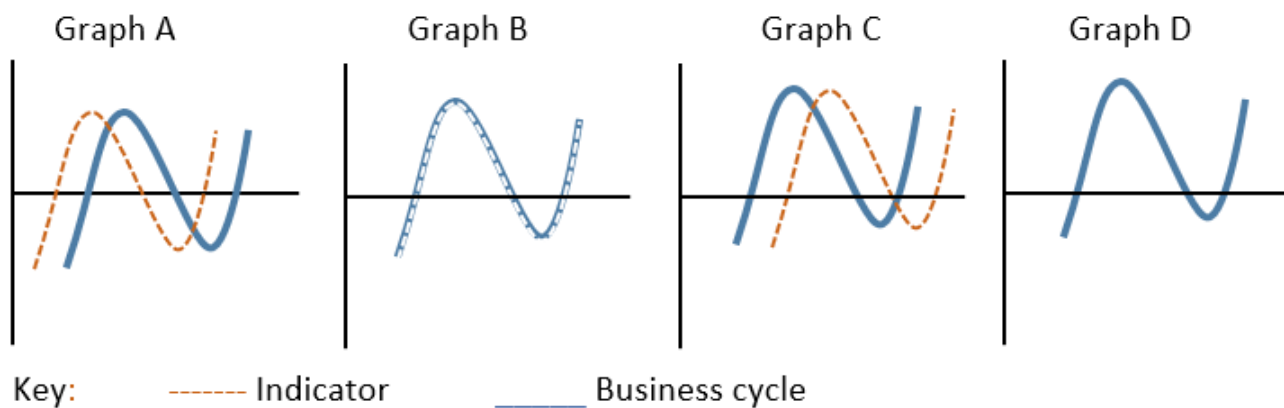
Study the following illustration of a business cycle and answer questions 23 to 25.



23. Which points indicates an expansion in economic activities?
- A AE B AC C CD D CE

24. Between which points will the economy be in a depression?
- A** AB **B** BC **C** DE **D** EF
25. Between points EF on the business cycle the level of economic activities are
- A** positive and the GDP increases at a decreasing rate.
B negative and the GDP increases at a decreasing rate.
C positive and the GDP increases at an increasing rate.
D negative and the GDP increases at an increasing rate.
26. The following are indicators of real economic growth in South Africa
- A** gold mining, building plans passed and building completed as well as inflation.
B mining, retail and wholesale sales, electric current generated.
C consumer expenditure, primary sector contribution, number of new vehicles sold.
D building plans passed and building completed, services rendered and exports.
27. Exogenous reasons sees business cycles in the economy
- A** as a temporary imbalance in the economy that must be rectified by means of monetary policies.
B as indirect government intervention in the forces of demand and supply.
C as factors outside the market system that influences economic activities.
D as a result of an increase in inflation.
28. The cyclic pattern of changes that occurs in the economy is caused by many factors in combination. Which ONE of the following factors will be classified as an endogenous (internal) cause that will lead to a decrease in economic activities?
- A** An increase in the demand for intermediate goods
B A rapid increase in the interest rate
C During times of wars the economic resources are put to use to make special goods like weapons.
D Natural disasters like floods and droughts can cause damage to the crops and huge losses to the agricultural sector.
29. A leading indicator of economic activities can be best described as an indicator that
- A** shows no changes before the level of economic activity is affected.
B shows changes after the level of economic activity is affected.
C shows changes simultaneously as the level of economic activity is affected.
D shows changes before the level of economic activity is affected.

Study the following graphical representation of economic indicators and business cycles and answer question 30.



30. Which graph indicates a lagging indicator?
- A** Graph A **B** Graph B **C** Graph C **D** Graph D