

ECONOMIC MANAGEMENT SCIENCES

Week 6

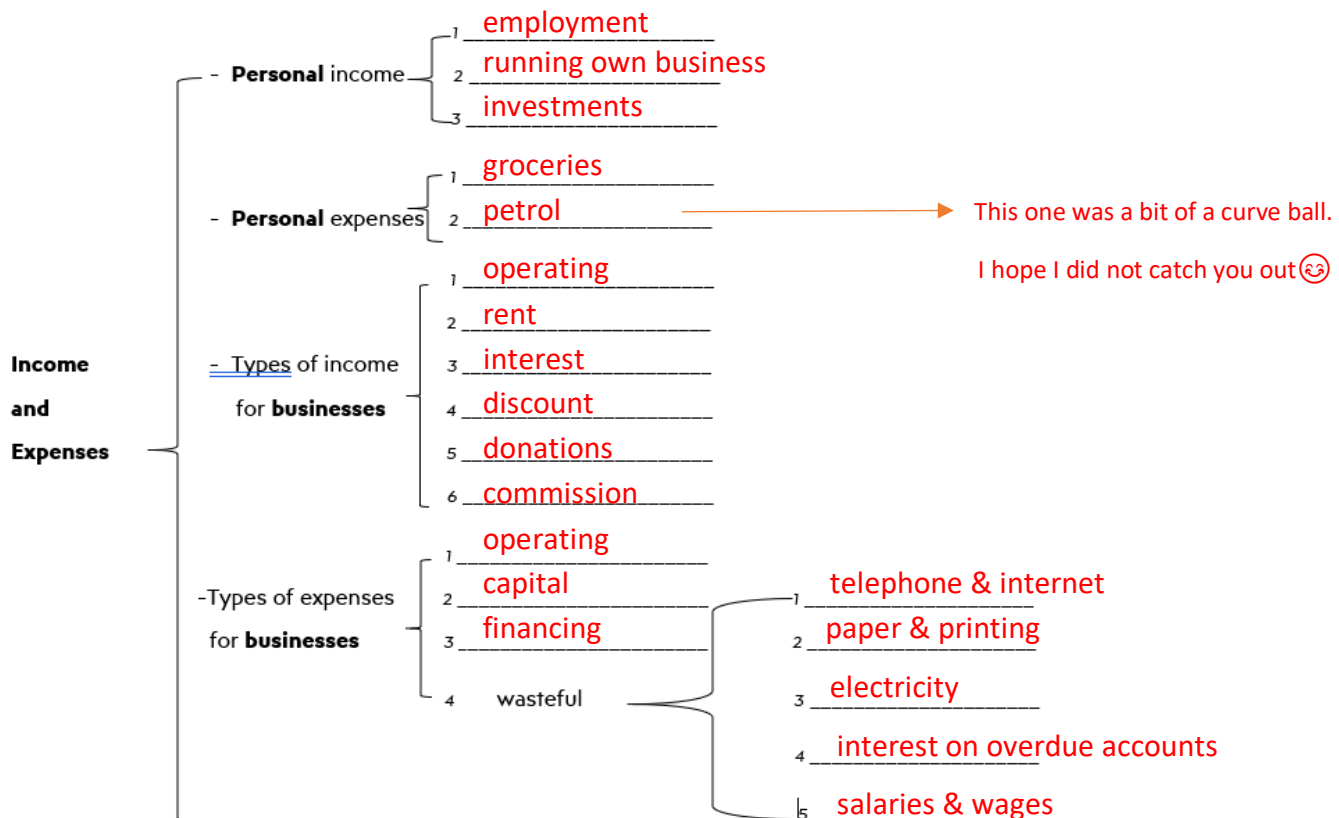
Instruction 1

Use the memo below to mark the table on ‘Wasteful Expenses’ that you did last week.

	Wasteful expenses	Solutions
1	Electricity	Switch off lights, computers and other electrical tools when not being used
2	Paper & printing	Avoid unnecessary printing ; use email instead of normal mail; re-use and recycle.
3	Interest on overdue accounts	Pay all accounts on time
4	Telephone & internet usage	Workers must not use these for personal use ; caller ID to identify workers who abuse the use of the telephone; a system to control the use of the internet at work
5	Salaries & wages	Make sure workers are productive (they must work hard for their money)

Instruction 2

Use the memo below to mark the brace map titled ‘Expenses & Income - summary’ that you did last week.



Instruction 3

Here is the memo for the open book test that you did in week 4. Once we are back at school, I will print the memo and then you can paste it into your book.

Assessment: Types Of Business Income And Expenses

Mr Naidoo buys fresh flowers for his flower shop every week. Instead of paying each week, he pays a month in advance (ahead of time). Because Mr Naidoo does this, the flower suppliers always charge him a little less for all the flowers	Operating expenses
Dominoes Pizza bought 3 more delivery motorcycles	Wasteful expenses
Fishy Fingers Fish Shop have to pay rent for the building they use	Discount income
The bank loaned Greenfingers Nursery R10 000, so they need to pay the bank R15 000	Commission income
All small business owners received R50 000 from the president during the lockdown period	Capital expenses
Edgars charged people 10% extra for not paying their accounts on time	Donations as income
The Art shop down the road leaves its lights on right through the night	Interest Income
The Golden Shampoo company asked the hairdresser to sell their shampoo to her customers and then she could keep 20% of the money made on the shampoo	Operating income
Delish Bakery sells fresh cakes and pies daily	Financing expenses
The DIY shop has an attached garage that it rents out to a mechanic for a small fee every month	Rent income

Instruction 4

Read and understand the information on the note below titled "Budgets".

Budgets

What is a budget?

A budget is a written plan on how to spend future income on estimated expenses. This can be a short, medium, or long term plan.

Purpose of drawing up a budget

- plan ahead and set financial goals
- check actual spending against planned spending
- control expenditure (expenses) and spend more wisely
- check if income will be enough to cover expenses
- show possible future financial problems



NB Please make sure that you understand the work. Do not just skim through it!!! Studying a little info like this at a time, makes preparing for tests so much easier.

