NASCA

Economics, Business and Finance
Curriculum Statement
## ECONOMICS, BUSINESS AND FINANCE

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Introduction

Economics Business and Finance is an integrated subject that draws on knowledge from the disciplines of Economics, Accounting, Business Studies and Entrepreneurship. The curriculum is designed to equip students with basic knowledge and skills to enable them to become acquainted with the world of business and economics, which could contribute to achieving the goal of becoming informed, productive and responsible citizens. The purpose of the curriculum is to introduce students to knowledge and skills that will enable them to develop basic business and economic literacy so that they may understand their personal role in the world of business and economics and be able to make educated and responsible decisions and choices as they engage in societal activities.

Aims

The aims are to enable candidates to:
1. Use economic knowledge and skills to better understand the world in which they live;
2. Make effective use of relevant economic terminology, concepts and methods;
3. Develop and apply basic economic numeracy and literacy skills to handle simple data;
4. Understand fundamental accounting concepts, principles, and procedures to analyse and interpret information;
5. Understand how the main types of business are organised and financed;
6. Apply the tools of economic analysis to their everyday economic lives;
7. Apply their knowledge to evaluate current business and economic issues and problems;
8. Critique qualitative and quantitative data to make informed judgments;
9. Become aware of innovation and change in business activities;
10. Develop attitudes of accuracy and logical thought.

Exit-Level Outcomes

By the end of this course students should be able to:
1. Demonstrate knowledge and skills identified for competencies in Economics, Business and Finance;
2. Apply acquired knowledge to solve problems in the Economics Business and Finance;
3. Communicate in writing knowledge in the field of Economics Business and Finance;
4. Reflect on achievements in pursuit of interest in this field;
5. Analyse economic and financial information;
6. Evaluate economic and financial decision making;
7. Reflect critically on ethical and social justice issues as they relate to the world of Economics, Business and Finance.
Taxonomy and Weighting of Exit-Level Outcomes

The taxonomy used in this document is shown in the table below:

<table>
<thead>
<tr>
<th>Level</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Level 1</td>
<td>Introductory level content; superficial; mainly definitions and descriptions; no real understanding is expected</td>
</tr>
<tr>
<td>Level 2</td>
<td>Definitions and descriptions plus some detail provided; requires a basic level of understanding</td>
</tr>
<tr>
<td>Level 3</td>
<td>Requires detailed knowledge of concepts/topics; involves deep understanding of concepts as well as understanding the relationships between concepts</td>
</tr>
<tr>
<td>Level 4</td>
<td>Requires in-depth knowledge of concepts/topics; requires topic to be dealt with in a conceptually challenging way; requires complex understanding of relationships between concepts</td>
</tr>
</tbody>
</table>

The knowledge, skills and abilities which students are expected to demonstrate at the end of the course:

### Language and Communication

<table>
<thead>
<tr>
<th>Knowledge, skills and abilities</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Read and comprehend business, accounting and economic knowledge</td>
<td>1</td>
</tr>
<tr>
<td>2. Analyse and interpret problems and suggest solutions</td>
<td>3</td>
</tr>
<tr>
<td>3. Argue logically on the basis of disciplinary knowledge and principles</td>
<td>3/4</td>
</tr>
<tr>
<td>4. Develop communication skills (narrate, debate, discuss)</td>
<td>2/3</td>
</tr>
</tbody>
</table>

### Projection

<table>
<thead>
<tr>
<th>Knowledge, skills and abilities</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Predict and forecast economic results</td>
<td>3/4</td>
</tr>
<tr>
<td>2. Use economic data to analyse economic performance and prepare for contingencies</td>
<td>2/3</td>
</tr>
<tr>
<td>3. Use information in preparing cash budgets to project future cash positions</td>
<td>2/3</td>
</tr>
<tr>
<td>4. Develop communication skills (narrate, debate, discuss)</td>
<td>2/3</td>
</tr>
</tbody>
</table>

### Analytical

<table>
<thead>
<tr>
<th>Knowledge, skills and abilities</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Analyse results of financial statements</td>
<td>3/4</td>
</tr>
<tr>
<td>2. Interpret economic and business data</td>
<td>3/4</td>
</tr>
</tbody>
</table>
### Evaluation

<table>
<thead>
<tr>
<th>Knowledge, Skills and Abilities</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Evaluate the effectiveness of the investment decisions</td>
<td>4</td>
</tr>
<tr>
<td>2. Evaluate government initiatives to address economic issues</td>
<td>4</td>
</tr>
<tr>
<td>3. Evaluate personal economic decision making</td>
<td>3</td>
</tr>
<tr>
<td>4. Evaluate success potential of envisaged business ventures</td>
<td>4</td>
</tr>
</tbody>
</table>

### Problem Solving

<table>
<thead>
<tr>
<th>Knowledge, Skills and Abilities</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Identify problems emanating from the world of business</td>
<td>2/3</td>
</tr>
<tr>
<td>2. Develop skills for solving problems</td>
<td>2/3</td>
</tr>
<tr>
<td>3. Apply relevant legislation to solve problems</td>
<td>2/3</td>
</tr>
<tr>
<td>4. Develop solutions for identified problems</td>
<td>2/3</td>
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</tbody>
</table>

### Mathematical

<table>
<thead>
<tr>
<th>Knowledge, Skills and Abilities</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Develop basic numerical skills</td>
<td>2</td>
</tr>
<tr>
<td>2. Use ratio analysis to inform business and accounting decision making and assess economic performance</td>
<td>3/4</td>
</tr>
</tbody>
</table>

### Reasoning

<table>
<thead>
<tr>
<th>Knowledge, Skills and Abilities</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Discriminate between fact and opinion</td>
<td>2/3</td>
</tr>
<tr>
<td>2. Make critical judgements on business decisions</td>
<td>2/3</td>
</tr>
<tr>
<td>3. Draw conclusions from economic and financial data (case studies and accounting data)</td>
<td>2/3</td>
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</tbody>
</table>

### Citizenship

<table>
<thead>
<tr>
<th>Knowledge, Skills and Abilities</th>
<th>Level</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Engage social responsibility as a worthy value</td>
<td>3</td>
</tr>
<tr>
<td>2. Engage in ethical debates as it relates to the world of business and economics</td>
<td>3/4</td>
</tr>
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</table>

### Reporting

<table>
<thead>
<tr>
<th>Knowledge, Skills and Abilities</th>
<th>Level</th>
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Scheme of Assessment

1. ONE question paper will be set.
2. The duration of the paper will be THREE hours.
3. Continuous assessment will not form part of this assessment.
4. The total mark for the question paper will be 300.

Structure of the Examination Paper

The Paper Will Consist of Three Sections:

Section A: (100 Marks) Compulsory
This section will consist of questions that will test knowledge and understanding of the entire curriculum. (e.g. Multiple choice, fill in the blanks, choose from the brackets, matching, data response, etc).

Section B: 160 Marks
This section will consist of FIVE short questions covering the themes in the curriculum (Economics, Business and Finance). They will carry forty (40) marks each. Students are required to answer any FOUR questions. The sub-questions will test cognitive levels across the taxonomy.

Section C: 40 Marks
This section will consist of TWO essays. Students must answer ONE of the two essays. The essay will carry 40 marks. This section will test analytical, interpretive and evaluative skills.

Summary:
- Section A: 100 marks
- Section B: 160 marks
- Section C: 40 marks
- Total Marks: 300 marks
Content Outline

<table>
<thead>
<tr>
<th>Topic Heading</th>
<th>Topic (With Approximate Instructional Time)</th>
</tr>
</thead>
</table>
| The Economy (72 hours) | 1. Economic concepts (9 hours)  
                          2. Economic systems (9 hours)  
                          3. Economic environments (17 hours)  
                          4. The South African economy (13 hours)  
                          5. Market dynamics (16 hours)  
                          6. Contemporary Economic Issues (8 hours) |
| Establishing a Business (28 hours) | 1. Entrepreneurship (16 hours)  
                                        2. Forms of ownership (12 hours) |
| Business Operations (98 hours) | 1. Functions of business (4 hours)  
                                         2. CSI (2 hours)  
                                         3. Specific Business functions (92 hours) |
| Money Matters – Personal and Business (52 hours) | 1. Managing personal money (18 hours)  
                                                      2. Debt control (6 hours)  
                                                      3. Insurance (8 hours)  
                                                      4. Contracts (8 hours)  
                                                      5. Taxation (12 hours) |
| Total Time             | 250 Hours                                                                        |

Section 1 - The Economy

1. Economic Concepts (9 hours)

1.1. The Economic Problem

*Content:*
The scarcity problem
The basic processes:
- What to produce;
- How to produce;
- For whom to produce.

*Learning Outcomes:*
*Students Should be Able to:*
1.1.1 Describe the scarcity problem:
- Absolute and relative scarcity;
- Differences between economic and free goods;
- Alternatives and choices;
- Opportunity cost.
1.1.2 Discuss how the scarcity problem can be alleviated;
1.1.3 Differentiate between free and economic goods;
1.1.4 Describe the process of:
  • Production;
  • Consumption;
  • Exchange;
  • Distribution.
1.1.5 Use the circular flow model diagram of the open economy with component elements:
  • Participants;
    • Households
    • Business sector
    • Government
    • Foreign sector
  • Markets;
    • Factor market
    • Market for goods and services/products
    • Financial market – money and capital
    • Foreign markets/foreign exchange
    • Flows through different markets (production, income and spending)
  • Real and money flows;
  • Statistical economic data.

2. Economic Systems (9 hours)

2.1. Centrally Planned, Mixed and Market Economies

Content:
  • Characteristics of types of economies.

Learning Outcomes:
Students Should be Able to:
2.1.1. Describe the characteristics, advantages and disadvantages of the three main economic systems;
2.1.2. Contrast these systems by discussing the similarities and differences between them.

2.2. South Africa’s Mixed Economy

Content:
  • Advantages and disadvantages.

Learning Outcomes:
Students Should be Able to:
2.2.1. Assess the efficiency of South Africa’s mixed economy:
  • Critically evaluate its success in delivering socio-economic services to its citizens.
3. Economic Environments (17 hours)

3.1. Economic Sectors

Content:
- Public and Private sectors;
- Formal and informal sectors.

Learning Outcomes:
Students Should be Able to:
3.1.1. Distinguish between public and private sectors:
- Highlight important public enterprises;
- Public-private partnerships;
- Contribution of private sector companies to the RSA economy;
3.1.2. Explain the characteristics, advantages and disadvantages of formal and informal sectors;
3.1.3. Discuss the importance of the informal sector (2nd economy/unobserved economy) to the RSA economy;
3.1.4. Describe the elements of the formal agricultural and non-agricultural sectors of the economy;
3.1.5. Argue for or against privatisation/nationalization;
3.1.6. Provide examples of the formal and informal sectors.

3.2. The State

Content:
- Functions of the state;
- The government’s macroeconomics policy;
- Public sector intervention.

Learning Outcomes:
Students Should be Able to:
3.2.1. Describe the role and importance of the functions of the state:
- Security;
- Social welfare;
- Legislation;
- Preserving resources;
- Money and banking;
- Providing infrastructure;
- Encouraging business.
3.2.2. Comment on the government’s macroeconomic objectives:
- Economic growth;
- Full employment;
- Price stability;
- Exchange rate stability;
- Economic equity
  (Link to national budget and MTEF).
3.2.3. Evaluate the achievements of these interventions:
- Why the intervention?;
- Effects of the intervention, e.g. subsidies; minimum wages; price controls; etc;
- Pros and cons of government intervention in the economy.
3.3. Business Environments

Content:
- Micro environment;
- Market environment;
- Macro environment.

Learning Outcomes:

Students Should be Able to:

3.3.1. Describe the components of the micro environment:
- Vision and mission of the business;
- Culture of the business;
- The business functions (briefly - see specific business functions - later) as part of micro environments;
  - General management
  - Purchasing
  - Production
  - Marketing
  - Financing
  - Administration
  - Public relations
  - Human resources
  - Risk management
  - Information technology

3.3.2. Describe the components of the market environment:
- Suppliers;
- Consumers;
- Competitors;
- Community organisations.

3.3.3. Describe the components of the macro environment:
- Natural (physical);
- Economic;
- Social;
- Legal;
- Technological;
- Political;
- International;
- Institutional.

3.3.4. Discuss the interrelationship between the micro, market and macro environments;

3.3.5. Discuss the extent to which each one of the environments can be controlled.
4. The South African Economy (13 hours)

4.1. The Structure of the South African Economy

Content:
- Composition of primary, secondary and tertiary sectors in South Africa;
- Infrastructure;
  - Communication
  - Transport
  - Energy.

Learning Outcomes:
Students Should be Able to:
4.1.1. Distinguish between the Primary, Secondary and Tertiary sector;
  - Primary sector;
    - Agriculture, forestry & fishing
    - Mining & quarrying
  - Secondary sector;
    - Manufacturing
    - Electricity, gas & water
    - Construction (contractors)
  - Tertiary sector;
    - Wholesale and retail trade, catering and accommodation
    - Transport, storage and communication
    - Finance, insurance, real-estate and business services
    - Community, social and personal services
4.1.2. Provide appropriate examples of each sector;
4.1.3. Research the contributions made by each sector;
4.1.4. Analyse South Africa's infrastructure using statistical economic data.

5. Market Dynamics (16 Hours)

5.1. Price Theory in the Perfect Market

Content:
- Demand and supply table;
- Graphical representation;
- Movements along the curves;
- Shifting of curves.

Learning Outcomes:
Students Should be Able to:
5.1.1. Draw up demand and supply tables from given data;
5.1.2. Use graphs to illustrate demand and supply from given data and/or from demand and supply schedules;
5.1.3. Graphically show how changes in demand and supply affect price (Short-run market equilibrium prices and quantities - identification and illustration);
5.1.4. Illustrate increases in demand and supply:
  - Distinguish between movements along curves and shifting of curves;
  - Use graphs to illustrate changes;
  - Describe the effects on the industry in the long-run (without the use of graphs).
5.2. Price Theory in Imperfect Markets

Content:
- Monopolies;
- Oligopolies;
- Monopolistic competition.

Learning Outcomes:
Students Should be Able to:
5.2.1. Briefly distinguish between these market structures by tabulating the differences between the characteristics of monopolies, oligopolies and monopolistic competition.

6. Contemporary Economic Issues (8 hours)

6.1. Inflation

Content:
- Types of inflation;
- Effect of inflation on standard of living.

Learning Outcomes:
Students Should be Able to:
6.1.1. Distinguish between cost-push and demand-pull inflation;
6.1.2. Explain how inflation impacts on salary and wage negotiations (involves the use of inflation data as a basis for argument during salary/wage negotiations);
6.1.3. Describe measures to combat inflation.

6.2. Unemployment

Content:
- Causes of unemployment;
- Measures to curb unemployment.

Learning Outcomes:
Students Should be Able to:
6.2.1. Define the following forms of unemployment:
- Structural;
- Frictional;
- Seasonal;
- Cyclical.
6.2.2. Describe the causes of unemployment;
6.2.3. Describe the effects of unemployment;
6.2.4. Discuss approaches to solve unemployment:
- Growth of production;
- Public works programmes;
- Unemployment insurance;
6.2.5. Evaluate the effectiveness of the measures to curb unemployment.
Section 2 - Establishing A Business

1. Entrepreneurship (16 hours)

1.1. Qualities of Entrepreneurs

**Content:**
- Qualities that all good entrepreneurs should have.

**Learning Outcomes:**

**Students Should be Able to:**

1.1.1. Describe the following qualities of entrepreneurs:
- Vision;
- Creativity;
- Responsibility;
- Energetic;
- Taking risks;
- Committed;
- Integrity;
- Adaptable;
- Professional;
- Well informed;
- Interpersonal skills;
- Organising ability.

1.2. Acquiring a Business

**Content:**
- Ways in which one can start a business;
- Franchising.

**Learning Outcomes:**

**Students Should be Able to:**

1.2.1. Describe the process of starting a new business;
1.2.2. Discuss the advantages of starting a business from scratch;
1.2.3. Describe the process of purchasing an existing business;
1.2.4. Discuss the advantages of purchasing an existing business;
1.2.5. Describe franchising:
   - The concept of franchising;
   - The process;
   - Advantages;
   - FASA.
1.2.6. Explain the following concepts:
- Leasing;
- Outsourcing;
- Labour broking.
1.3. Business Plans

Content:
- Components of a business plan.

Learning Outcomes:
Students Should be Able to:
1.3.1. Describe the components of a business plan:
- Description of the business;
- Operation plan;
- Marketing plan;
- Financing plan;
- Management plan.
1.3.2. Draw up suitable business plans for a proposed venture.

2. Forms of Ownership (12 hours)

2.1. Forms of Ownership

Content:
- Sole trader;
- Partnership;
- Companies;
- Public and private companies;
- Other – CC and Co-op’s;
- Purpose of these types of ownerships.

Learning Outcomes
Students Should be Able to:
2.1.1. List the characteristics, purposes, advantages and the disadvantages of a sole trader;
2.1.2. List the characteristics, purposes, advantages and the disadvantages of a partnership;
2.1.3. Describe the difference between a private and a public company;
2.1.4. List the characteristics, purposes, advantages and the disadvantages of public and private companies;
2.1.5. Compare the old and new Companies Act;
2.1.6. Describe the purpose of CC’s;
2.1.7. Discuss the future of CC’s;
2.1.8. Describe the purpose of co-ops;
2.1.9. Discuss how co-ops work.

2.2. South Africa’s Ownership Statistics

Content:
- South African business statistics.

Learning Outcomes
Students Should be Able to:
2.2.1. Analyse the percentage contribution of each of the different types of business in South Africa:
- % contribution by small business;
- % contribution by medium business;
- % contribution by large business;
- % contribution by informal business.
Section 3 - Business Operations

1. Functions of Business (4 hours)

1.1. Functions of Business – Overview

Content:
- An overview of all the business functions.

Learning Outcomes:
Students Should be Able to:
- 1.1.1. Explain the importance of each of the functions;
- 1.1.2. Briefly describe the role of the ten business functions:
  - Marketing;
  - Human resources;
  - Financial;
  - Administration;
  - Public relations;
  - General management;
  - Procurement;
  - Production;
  - Risk management; and
  - Information technology.

2. CSI (2 hours)

2.1. CSI

Content:
- Purpose of CSI;
- Examples of local projects.

Learning Outcomes:
Students Should be Able to:
- 2.1.1. Describe the purpose of CSI;
- 2.1.2. Discuss the reasons for CSI projects;
- 2.1.3. Research one CSI project, and evaluate its level of success.

3. Specific Business functions (92 hours)

3.1. Marketing

Content:
- The 7 P’s of marketing;
- Product policy;
- Pricing policy;
- Promotion policy;
- Place (distribution);
- People, process and physical aspects.
Learning Outcomes:
Students Should be Able to:
3.1.1. Describe the 7 Ps of marketing;
3.1.2. Describe the product policy;
3.1.3. Distinguish between types of consumer goods:
   • Convenience goods;
   • Select goods;
   • Specialty goods.
3.1.4. Describe the purpose of packaging;
3.1.5. Describe the types of packaging;
3.1.6. List the requirements for good packaging;
3.1.7. Describe the pricing policy;
3.1.8. Describe the distribution policy;
3.1.9. Discuss direct and indirect channels:
   • Reasons for indirect marketing;
   • Reasons for direct marketing;
   • Activities involved in marketing.
3.1.10. Describe the trade mark policy;
3.1.11. Discuss the importance of trade marks;
3.1.12. Describe the requirements of a good trade mark;
3.1.13. Describe the Promotion Policy (marketing communication policy):
   • AIDA;
   • Ethics of advertising;
   • Advantages of advertising;
   • Activities involved in advertising;
   • The ASA – functions;
   • Advertising media;
3.1.14. Explain:
   • People;
   • Process;
   • Physical environment in the marketing process.

3.2. The Human Resource Function

Content:
• The human resource function;
• Recruitment, job specifications, selection, interviews, training, CVs;
• Employee benefits;
• Labour relations.

Learning Outcomes:
Students Should be Able to:
3.2.1. Explain the importance of the human resource function;
3.2.2. Explain the processes of:
   • Recruitment;
   • Sources (internal and external)
   • Job analysis
   • Job specifications;
• Process;
  • Screening
  • Testing
  • Interviewing
  • Testing
  • Selecting
• Selection;
• Placement;
• Interviews:
  • How to prepare for an interview as the interviewer
  • How to prepare for an interview as the interviewee

3.2.3. Distinguish between different types of training:
• On the job;
• Mentoring;
• Job rotation;
• Institutions;

3.2.4. Describe the purpose of a CV;
3.2.5. Draw up a CV;
3.2.6. Briefly discuss employee benefits:
  • Remuneration;
  • Other benefits;
    • Pension
    • Medical
    • Travelling

3.2.7. Explain the nature and purpose of labour relations;
3.2.8. Explain the functions of the labour unions;
3.2.9. Discuss the future of labour unions;
3.2.10. Briefly describe the purpose of the following Acts:
  • EEA (Employment Equity);
  • COIDA (Compensation for occupational injuries and diseases);
  • Skills Development Act;
  • Basic conditions of Employment Act (include catering for the disabled);
  • LRA Labour relations;
  • BBBEE (Broad Based Black Economic Empowerment).

3.3. Accounting and Information Management
Content:
• Information management;
• Accounting principles and practices;
• The accounting cycle;
• Introduction of basic accounting concepts;
• The basic accounting equation;
• The expanded accounting equation;
• Books of first entry:
  • Note: writing up of books of first entry (Subsidiary Journals) is NOT required
  • The ledger;
• Pre-adjustment trial balance;
• Year-end adjustments;
• Post-adjustment trial balance;
• Financial statements;
• Analysis and interpretation of financial statements;
• Accounting for other forms of ownership (explanation only; book keeping and financial statements are not required).

**Learning Outcomes:**

**Students Should be Able to:**

3.3.1. Explain the meaning of information management;
3.3.2. Explain the sources and importance of information management;
3.3.3. Describe the guiding principles of information management;
3.3.4. Explain the importance of correct information;
3.3.5. Describe the underlying principles of GAAP (Generally Accepted Accounting Practice) and IFRS (International Financial Reporting Standards):
  - What is IFRS?
  - The global move towards IFRS;
  - Reasons for the change from GAAP to IFRS;
  - Introduction and implementation of IFRS in South Africa;
  - The South African experience (IFRS for SME’s).
3.3.6. Show the stages of the Accounting Cycle graphically;
3.3.7. Explain basic accounting concepts:
  - Assets;
  - Liabilities;
  - Owners equity;
  - Revenue/income;
  - Expenses;
  - Drawings;
  - Profit;
  - Loss;
3.3.8. Differentiate between basic and expanded forms of the equation;
3.3.9. Analyse transactions according to the basic accounting equation \( A = O + L \);
3.3.10. Analyse transactions using the expanded accounting equation \( \text{Owners Equity} + \text{Revenues} - \text{Expenses} - \text{Drawings} \);
3.3.11. Interpret completed/given journals:
  - Cash journals;
  - Debtors and creditors journals;
  - Allowances journal;
  - Petty cash journal;
  - General journal;
3.3.12. Identify the different types of ledgers:
  - General ledger;
  - Subsidiary ledger;
3.3.13. Interpret ledger accounts;
3.3.14. Draw up a pre-adjustment trial balance from a given general ledger;
3.3.15. Apply year-end adjustments to pre-adjustment trial balance:
  - Accrued income;
  - Accrued expenses;
  - Prepaid expenses;
• Income received in advance/deferred income;
• Depreciation;
• Trading stock deficit/surplus;
• Consumable stores on hand;
• Bad debts;
• Bad debts recovered;
• Correction of errors;

3.3.16. Draw up a post-adjustment trial balance;
3.3.17. Draw up a statement of financial performance (income statement);
3.3.18. Draw up a statement of financial position (balance sheet);
3.3.19. Analyse financial statements using the following ratios:
• Profitability (risk/return);
• Solvency;
• Liquidity;
• Gross profit on sales;
• Gross profit on cost of sales;
• Net profit on sales;
• Operating expenses on sales;
• Operating profit on sales;
• Current ratio;
• Acid test ratio;
• Solvency ratio;
• Return on equity;

3.3.20. Show applications of accounting to the other forms below: (focus on differences / additions only):
• Partnership;
  • Describe the nature and purpose of partners’ capital and current accounts
  • Explain how profits are distributed in a partnership
  • Ledger accounts of partners
    • Appropriation accounts
    • Income statement
    • Balance sheet
  • Ways of distributing profits (the appropriation statement as an example only)
• Companies:
  • Explain the concept of “shares” and shareholders
  • Explain the concept of “debenture holders”
  • Explain ordinary and preference shares
  • Differentiate between different types of share/debenture holding (use examples of contemporary financial statements)
  • Explain the concept of “dividends”
  • Explain how companies pay income tax and dividends
  • Explain what is meant by income tax liability (use ledger accounts only to illustrate these concepts)
  • Observe published financial statements (e.g. from a newspaper)
3.4. **Budgeting**

**Content:**
- Budgeting-personal;
- State budget;
- Budget speech - procedures.

**Learning Outcomes:**

**Students Should be Able to:**
3.4.1. Draw up a household budget;
3.4.2. Describe the procedure involved in the preparation of the state budget (use the latest published budget statistics);
3.4.3. Analyse and comment on the provisions in the latest state budget.

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**Section 4 - Money Matters – Personal And Business**

**1. Managing Personal Money (18 hours)**

**1.1. Money and Net Worth**

**Content:**
- Personal net worth.

**Learning Outcomes:**

**Students Should be Able to:**
1.1.1. Calculate personal net worth by:
   - Listing one's assets;
   - Listing one's liabilities;
   - Subtraction to get the net worth.

**1.2. Managing Banking Accounts**

**Content:**
- Savings account and current accounts, fixed deposits, money market etc;
- Auto banking, electronic banking.

**Learning Outcomes:**

**Students Should be Able to:**
1.2.1. Distinguish between the different types of accounts:
   - Savings accounts – purpose, opening, charges;
   - Current account – purpose, opening, charges;
   - Money market accounts – purpose, opening, charges;
   - RSA savings bonds;
1.2.2. Briefly describe recent developments in banking:
   - Electronic banking;
   - Cell phone banking.
1.3. **Investments**

**Content:**
- Interest structures;
- Types of investments.

**Learning Outcomes:**

**Students Should be Able to:**
1.3.1. Define simple and compound interest;
1.3.2. Perform calculations involving simple and compound interest;
1.3.3. Describe and give the advantages of the following different types of investments:
   - Retirement annuities;
   - Retail bonds;
   - Shares;
   - Unit trusts;
   - Stokvels;
   - Property portfolios.

2. **Debt Control (6 hours)**

2.1. **Debt Management**

**Content:**
- Debt collectors;
- Provisions of the NCA;
- Provisions of the CPA.

**Learning Outcomes:**

**Students Should be Able to:**
2.1.1. Explain the need for debt management;
2.1.2. Discuss the advantages and disadvantages of debt collectors;
2.1.3. Evaluate the use of debt collectors;
2.1.4. Evaluate the effectiveness of the NCA;
2.1.5. Evaluate the effectiveness of CPA.

3. **Insurance (8 hours)**

3.1. **Insurance - Personal**

**Content:**
- Types of insurance policies.

**Learning Outcomes:**

**Students Should be Able to:**
3.1.1. Describe and explain the provisions of the following types of policies:
   - Life;
   - Endowment;
   - Funeral.
3.2. Insurance - Business

Content:
- Compulsory insurance;
- Non-compulsory insurance.

Learning Outcomes:
Students Should be Able to:
3.2.1. Briefly explain the provisions of:
- RAF (Road Accident Fund);
- UIF (Unemployment Insurance Fund);
- COIDA.

4. Contracts (8 hours)

4.1. Contracts - Business

Content:
- Essentials of contracts;
- Types of contracts.

Learning Outcomes:
Students Should be Able to:
4.1.1. Describe the essential elements of contracts;
4.1.2. Explain the relevance of:
- Leasing;
- Franchising, etc.

4.2. Contracts – Home

Content:
- Typical home contracts.

Learning Outcomes:
Students Should be Able to:
4.2.1. Describe:
- Installment-sale;
- Entertainment (e.g. DSTV);
- Cellphone contracts etc.

5. Taxation (12 hours)

5.1. PAYE and SITE

Content:
- PAYE;
- SITE tax.

Learning Outcomes:
Students Should be Able to:
5.1.1. Describe the procedures involved in PAYE;
5.1.2. Describe the procedures involved in SITE collections;
5.1.3. Describe tax deductible expenses for the sole trader;
5.1.4. Perform calculations of PAYE and SITE;
5.1.5. Refer to the Electronic filing of tax returns briefly.

5.2. VAT

Content:
- Liability, Calculation and payment.

Learning Outcomes:
Students Should be Able to:
5.2.1. Describe the meaning of VAT;
5.2.2. Explain the working of VAT collection.

Recommended Study Hours

Study hours are shown in the content (both outline and detailed) This is the estimated time required to cover the topic. The times reflected in this document are for self study, and can be used to determine the extent (scope and depth) of the topic.

Four (4) hours per week are allocated to this subject offering when it is offered at an institution. The curriculum is designed to be covered in 29 weeks. Eleven (11) weeks are allocated for tests and revision.

Teaching and Learning Approach

The teaching and learning approaches should be guided by education teaching and learning principles. This subject lends itself to constructivist teaching approaches that include problem-solving, case studies, the use of interactive teaching and learning materials, discussion, argument, and the use of contemporary business, economics and accounting information relevant to the student.

The development of textbooks and other LTSM materials should be guided by this pedagogical approach to teaching and learning.