



Integrated Studies
11/06/2025
Time: 60 Minutes
Student Name:
/100

Date:

Grade: 7
Marks:

Formal Assessment: Economic and Management Science Test

Question 1

Underline the correct answer from the options given below each of the following statements/questions.

1. What is capital in a business? (1)
A) Assets that change during the course of the year
B) Start-up money for a business
C) Expenses paid out to run the business
D) Debts that a business has to pay

2. What are assets in a business? (1)
A) Debts that a business has to pay
B) Everything that belongs to the business
C) Expenses paid out to run the business
D) Income received from sales

3. What are fixed assets? (1)
A) Possessions that change during the course of the year
B) Possessions that will not change for more than one year
C) Debts that will be paid back within one year
D) Income received from sales

4. What are current liabilities? (1)
A) Debts that will be paid back within 12 months
B) Debts that will be paid back within one year

- C) Assets that change during the course of the year
- D) Expenses paid out to run the business

5. What is profit? (1)

- A) When the income is less than the expenses
- B) When the income is more than the expenses

- C) When the assets are more than the liabilities
- D) When the expenses are more than the income

6. What is a budget? (1)

- A) A plan of how much money you have and how you spend it
- B) A record of financial transactions
- C) A type of asset
- D) A type of liability

7. What is the purpose of a budget? (1)

- A) To increase expenses
- B) To decrease income
- C) To keep control of finances
- D) To increase liabilities

8. What is income? (1)

- A) Money spent to buy goods or services
- B) Payment received for selling goods, services, or investing money
- C) Debts that a business has to pay
- D) Assets that change during the course of the year

9. What are expenses? (1)

- A) Money received from sales
- B) Money spent to buy goods or services
- C) Debts that a business has to pay
- D) Assets that belong to the business

10. What is a financial institution? (1)

- A) A place where you keep your money at home
- B) A place whose main function is to keep other people's money safe
- C) A type of asset
- D) A type of liability

11. What is a transaction? (1)

- A) An exchange between parties
- B) A type of asset
- C) A type of liability
- D) A financial institution

12. What is a current bank account? (1)

- A) An account that earns interest
- B) An account that allows regular, daily transactions
- C) An account that is used for savings
- D) An account that is used for investments

13. What is gross profit? (1)

- A) The total amount of profit made after deducting all expenses
- B) The total amount of profit made after deducting only cost of sales from income
- C) The total amount of income received
- D) The total amount of expenses paid

14. What is net profit? (1)

- A) The total amount of profit made after deducting all expenses
- B) The total amount of profit made after deducting only cost of sales from income
- C) The total amount of income received
- D) The total amount of expenses paid

15. What is a surplus? (1)

- A) An amount more than what is needed
- B) An amount less than what is needed
- C) A type of asset
- D) A type of liability

16. What is a deficit? (1)

- A) An amount more than what is needed
- B) An amount less than what is needed
- C) A type of asset
- D) A type of liability

17. What is own capital? (1)

- A) Money borrowed from a bank
- B) Money and possessions invested by the owner in the business
- C) Income received from sales
- D) Expenses paid out to run the business

18. What is borrowed capital? (1)

- A) Money invested by the owner in the business
- B) Money borrowed from a bank or other financial institution
- C) Income received from sales
- D) Expenses paid out to run the business

19. What is a personal statement of net worth? (1)

- A) A record of financial transactions

- B) A plan of how much money you have and how you spend it
- C) A description of the financial situation of a person at a particular moment
- D) A type of asset

20. What is the difference between gross profit and net profit? (1)

- A) Gross profit is the total income, while net profit is the total expenses
- B) Gross profit is the profit after deducting cost of sales, while net profit is the profit after

deducting all expenses

C) Gross profit is the profit after deducting all expenses, while net profit is the profit after deducting cost of sales

D) Gross profit is the total expenses, while net profit is the total income

TOTAL MARK: 20

Question 2

State whether the following statements are True or False.

1. Capital refers to the start-up money for a business. (1)
2. Assets are the debts that a business has to pay. (1)
3. Fixed assets are possessions that will not change for more than one year. (1)
4. Current liabilities are debts that will be paid back within more than one year. (1)
5. Profit is when the income is more than the expenses. (1)
6. A budget is a record of financial transactions. (1)
7. The purpose of a budget is to increase expenses. (1)
8. Income is the payment received for selling goods, services, or investing money. (1)
9. Expenses are the money received from sales. (1)
10. A financial institution is a place whose main function is to keep other people's money safe. (1)
11. A transaction is an exchange between parties. (1)

- 12. A current bank account earns high interest. (1)
- 13. Gross profit is the total amount of profit made after deducting all expenses. (1)
- 14. Net profit is the part of the total profit that really matters. (1)
- 15. A surplus is an amount less than what is needed. (1)
- 16. A deficit is an amount more than what is needed. (1)
- 17. Own capital refers to money borrowed from a bank. (1)

18. Borrowed capital refers to money invested by the owner in the business. (1)

19. A personal statement of net worth describes the financial situation of a person at a particular moment. (1)

20. A budget helps to keep control of finances. (1)

TOTAL MARK: 20

Question 3

Fill in the missing words in the following statements. Utilise the word box to assist you to find appropriate answers.

[assets, budget, profit, capital, deficit, expenses, financial institution, fixed, gross profit, income, liabilities, net profit, own capital, profit, surplus, transactions, net worth, profit, budget, own capital]

1. The start-up money for a business is referred to as _____.(1)

2. Everything that belongs to the business is considered _____.(1)

3. Possessions that will not change for more than one year are called _____ assets.(1)

4. A business makes a _____ when its income is more than its expenses.(1)

5. A plan of how much money you have and how you spend it is called a _____.(1)

6. The payment received for selling goods, services, or investing money is called _____.(1)

7. The money spent to buy goods or services is referred to as

_____.(1)

8. A place whose main function is to keep other people's money safe is called a _____.(1)

9. An exchange between parties is called a _____.(1)

10. The total amount of profit made after deducting only cost of sales from income is called _____.(1)

11. The part of the total profit that really matters is the _____.(1)
12. An amount more than what is needed is called a _____.(1)
13. An amount less than what is needed is called a _____.(1)
14. Money and possessions invested by the owner in the business is referred to as _____.(1)
15. Debts that a business has to pay are called _____.(1)
16. The financial situation of a person at a particular moment can be described by their _____.(1)
17. A business's goal is to make a _____.(1)
18. The money borrowed from a bank or other financial institution is not considered _____.(1)
19. A business's _____ can be calculated by subtracting expenses from income.(1)
20. A careful estimate of all costs and expenses is essential for creating a realistic _____.(1)

TOTAL MARK: 20

Question 4

1. What is capital in a business? (2 marks)
2. Define assets. (2 marks)
3. What are fixed assets? (2 marks)
4. What is profit? (2 marks)
5. What is a budget? (2 marks)
6. Define income. (2 marks)

7. What are expenses? (2 marks)
8. What is a financial institution? (2 marks)
9. Define transactions. (2 marks)
10. What is gross profit? (2 marks)
11. What is net profit? (2 marks)
12. Define surplus. (2 marks)
13. What is a deficit? (2 marks)
14. What is own capital? (2 marks)
15. Define liabilities. (2 marks)
16. What is the purpose of a budget? (2 marks)

17. What is borrowed capital? (2 marks)
18. Define current assets. (2 marks)
19. What is a current bank account? (2 marks)
20. What is the difference between gross profit and net profit? (2 marks)

TOTAL MARK: 40

GRAND TOTAL: 100



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Memorandum

Question 1

1. B) Start-up money for a business
2. B) Everything that belongs to the business
3. B) Possessions that will not change for more than one year
4. B) Debts that will be paid back within one year
5. B) When the income is more than the expenses*
6. A) A plan of how much money you have and how you spend it
7. C) To keep control of finances

- 8. B) Payment received for selling goods, services, or investing money
- 9. B) Money spent to buy goods or services
- 10. B) A place whose main function is to keep other people's money safe
- 11. A) An exchange between parties
- 12. B) An account that allows regular, daily transactions

- 13. B) The total amount of profit made after deducting only cost of sales from income
- 14. A) The total amount of profit made after deducting all expenses
- 15. A) An amount more than what is needed
- 16. B) An amount less than what is needed
- 17. B) Money and possessions invested by the owner in the business
- 18. B) Money borrowed from a bank or other financial institution
- 19. C) A description of the financial situation of a person at a particular moment
- 20. B) Gross profit is the profit after deducting cost of sales, while net profit is the profit after deducting all expenses

Question 2

- 1. True
- 2. False
- 3. True
- 4. False
- 5. True
- 6. False
- 7. False
- 8. True

9. False

10. True

11. True

12. False

13. False

- 14. True
- 15. False
- 16. False
- 17. False
- 18. False
- 19. True
- 20. True

Question 3

- 1. capital
- 2. assets
- 3. fixed
- 4. profit
- 5. budget
- 6. income
- 7. expenses
- 8. financial institution
- 9. transactions
- 10. gross profit
- 11. net profit
- 12. surplus
- 13. deficit
- 14. own capital
- 15. liabilities
- 16. net worth
- 17. profit
- 18. own capital
- 19. profit
- 20. budget

Question 4

1. Capital is the start-up money for a business. (2 marks)
2. Assets are everything that belongs to the business. (2 marks)
3. Fixed assets are possessions that will not change for more than one year. (2 marks)
4. Profit is when the income is more than the expenses. (2 marks)
5. A budget is a plan of how much money you have and how you spend it. (2 marks)

6. Income is the payment received for selling goods, services, or investing money. (2 marks)
7. Expenses are the money spent to buy goods or services. (2 marks)
8. A financial institution is a place whose main function is to keep other people's money safe. (2 marks)
9. Transactions are exchanges between parties. (2 marks)
10. Gross profit is the total amount of profit made after deducting only cost of sales from income. (2 marks)
11. Net profit is the part of the total profit that really matters, after deducting all expenses. (2 marks)
12. A surplus is an amount more than what is needed. (2 marks)
13. A deficit is an amount less than what is needed. (2 marks)
14. Own capital refers to money and possessions invested by the owner in the business. (2 marks)
15. Liabilities are debts that a business has to pay. (2 marks)
16. The purpose of a budget is to keep control of finances. (2 marks)
17. Borrowed capital refers to money borrowed from a bank or other financial institution. (2 marks)
18. Current assets are possessions that change during the course of the year. (2 marks)
19. A current bank account is an account that allows regular, daily transactions. (2 marks)
20. The difference between gross profit and net profit is that gross profit is the profit after deducting cost of sales, while net profit is the profit after deducting all expenses. (2 marks)