

ECONOMIC MANAGEMENT SCIENCES

Formal Assessment Task
Grade 7 Term 2
MID-YEAR CONTROLLED TEST

Marks: 100

Duration: 90 min.

Date: _____

Name and Surname: _____ Grade 7: _____

INSTRUCTIONS:

1. All questions are **COMPULSARY**.
2. Write neatly and legibly.
3. Read through the questions carefully and make sure that you allocate enough time for each question.
4. A calculator is permissible.
5. This paper consists of 3 section: Section A (Short Questions), Section B (The Economy) and Section C (Financial Literacy)

Question	1	2	3	4	5	6	7	8	9	10	11	TOTAL
Maximum mark	10	10	10	10	10	9	15	3	5	8	10	100
Mark obtained												

SECTION A

QUESTION 1: MULTIPLE CHOICE

1.1 Various options are given as possible answers. Choose the correct answer and UNDERLINE the correct option e.g. A. markets
B. eating

1.1.1 One of the ways of solving problems to trade in the early traditional societies, was to

- A. Courier companies
- B. Medium of exchange
- C. Barter
- D. E-wallet

1.1.2 A document that legally binds a person to pay another person a specific amount of money within a specified time is called...

- A. cheque
- B. buying note
- C. promissory note
- D. stock trading

1.1.3 is the money received by business after selling goods.

- A. Drawings
- B. Liability
- C. Capital
- D. Income

1.1.4 Which of the following is an example of a community need?

- A. Soft drink
- B. Watch
- C. Bicycle
- D. Library

1.1.5 ...is the money to start a business.

- A. Capital
- B. Finance
- C. Investments
- D. Expense

(2 X 5)
[10]

QUESTION 2: MATCHING ITEMS

Match the statements in Column A with answers in column B. Write only the letter of the correct answer next to the question number. E.g. 2.2.6 - H

	COLUMN A	COLUMN B	ANSWER
2.2.1	Money systems of different countries.	A. Goods	2.2.1
2.2.2	Things that you can touch that are produced to satisfy needs and wants.	B. Reuse	2.2.2
2.2.3	Are things that you cannot touch, and that people do for others.	C. Standard of living	2.2.3
2.2.4	Refer to the level of wealth, comfort and material goods someone has.	D. Currencies	2.2.4
2.2.5	To use something over and over.	E. Services	2.2.5

(2x5=10)
[10]

QUESTION 3: TRUE OR FALSE

State whether the following statements are true or false. Write only true or false on the space provided.

3.1 Trading is the exchange of goods for money. _____

3.2 Wants are things that people can live without. _____

3.3. Manufacturing business make money from buying and selling. _____

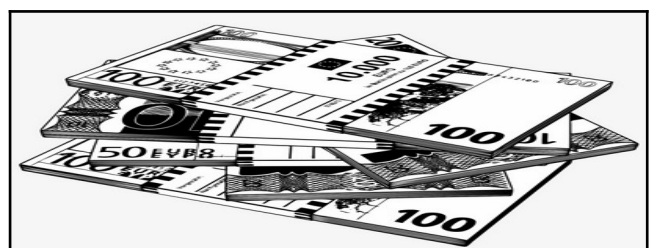
3.4 Money is regarded as a scarce commodity, medium of exchange and measure of value. _____

3.5. Socio-economic imbalances refer to large differences in standard of living of people in a country. _____

(2X5=10)

[10]

TOTAL SECTION A: 30



SECTION B: ECONOMY

QUESTION 4

Use the list of words given below to complete the following statements. Write the missing word at the end of the sentence on the space provided.

consumers, free goods, clients, water

economic goods, professional, manufacturing, customers

self-sufficient, unemployment, overpopulation, Constitution, poverty

4.1 Factories and bakeries are examples of ... businesses. _____

4.2 Doctors, nurses, teachers and lawyers render services to clients. _____

4.3 Air, sunlight and sand are examples of ... _____

4.4 Goods that command a price are known as ... _____

4.5 People who buy goods for use are called ... _____

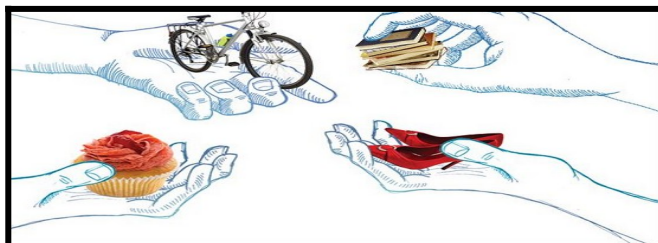
4.6 Challenge in rural areas. _____

4.7 People who live in traditional societies are..... farmers. _____

4.8 Challenges in urban areas. _____

4. 9 All the laws governing a country. _____

4.10. Resources that can run out and can't be replaced. _____



(1x10=10)
[10]

QUESTION 5

Look at the following picture before answering the questions.



5.1 Money is a medium of exchange. List 3 characteristics money should have to fulfil this function. **(3x2=6)**

5.2 Money has four roles or functions. Explain the function “store of value”. **(2)**

5.3 Underline the correct word in brackets:

(Wampum / Cowry shells) was one of the first forms of money in
around 1200 BC.

(2)

[10]

TOTAL SECTION B: 20

SECTION C: FINANCIAL LITERACY

QUESTION 6

Complete the following:

6.1 Accounting is the systematic _____ of financial

_____ of a business in _____ of

_____.

(4)

6.2 To start a business, the business owner needs _____. (1)

6.3 Study the following example. Calculate the difference and indicate whether the business made a profit or loss.

Nr	Income	Expenses	Difference	Profit or loss
<i>E.g.</i>	<i>R300</i>	<i>R100</i>	<i>R200</i>	<i>Profit</i>
1	R10 200	R6 400		
2	R5 200	R7 800		

(4x1=4)

[9]

QUESTION 7

Read the following case study and prepare the Statement of Net Worth for Xolile Khosa on 15 March 2021.

Xolile Khosa gave you the following information and asked you to prepare his Statement of Net Worth.

Property R150 000 Clothing accounts R4 500

Car R75 000 Furniture R 12 3000 Credit Cards R30 000

Savings Account R4 000 Money in bank R1 670 Cell Phone R2 100

Computer R 12 400 Loan from uncle R 2000

XOLILE KHOSA STATEMENT OF NET WORTH	R
Total Assets	R
Total Liabilities	R
NET WORTH	R

(1x15=15)

[15]

QUESTION 8

8.1. Define the term “budget” in your own words. (3)

[3]

QUESTION 9

Explain the following concepts:

9.1 Income (1)

9.2 Expenses (1)

9.3 Profit (1)

9.4 Loss (1)

9.5. Transaction (1)

(1X5=5)
[5]

QUESTION 10

Mr. I.N. Vestor is the owner of a successful supermarket. He noticed that there is some excess money in the business' bank account and want to explore some investment opportunities. His broker suggested different options. He was thinking that he can rather just save some money.

10.1 Provide a brief description for the following investment opportunities. (2x2=4)

Investment options:		Description
1	Invest in property 	
2	Notice deposits 	

10.2 Explain the difference between the “savings” and “investments”. (2x2=4)

[8]

QUESTION 11

Review Alice's Hairdressers business budget for June 2021 and answer the questions that follow.

Alice Hairdressers
Cash Budget for the period June 2021

	June
--	------

RECEIPTS	
<i>Current income</i>	12 800
TOTAL RECEIPTS	12 800
PAYMENTS	
<i>Rent expense</i>	1 500
<i>Water and electricity</i>	550
<i>Wages</i>	1 800
<i>Material costs</i>	600
<i>Advertisements</i>	150
<i>Salaries</i>	6 000
<i>Telephone</i>	400
<i>Equipment</i>	
TOTAL PAYMENTS	11 000
Surplus	1 800
Bank Starting Balance	4 200
Bank Closing Balance	6 000

11.1 How much is Alice's income for the month of June 2021? (1)

11.2 How much is Alice's expenses for the June 2021? (1)

11.3 Does Alice have any money left for the month? If so, how much? (2)

11. 4 Tabulate the difference between wages and salaries. (4)

Wages	Salaries

11.5 Make ONE suggestion on how Alice can increase her profit. (2)

TOTAL SECTION C: 50
GRAND TOTAL: 100

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MARKING GUIDELINE

SECTION A:

QUESTION 1: MULTIPLE CHOICE

- 1.1.1 C✓✓
- 1.1.2 C✓✓
- 1.1.3 D✓✓
- 1.1.4 D✓✓
- 1.1.5 A✓✓ (2x5=10)

QUESTION 2: MATCHING ITEMS

- 2.2.1 D- Currencies✓✓
- 2.2.2 A -Goods✓✓
- 2.2.3 E-Services✓✓
- 2.2.4 C-Standard of living✓✓
- 2.2.5 B-Reuse✓✓ (2 x5=10)

QUESTION 3 TRUE OR FALSE

- 3.1 True✓✓
 - 3.2 True✓✓
 - 3.3 False✓✓
 - 3.4 True✓✓
 - 3.5 True✓✓ (2X 5=10)
- TOTAL SECTION A: 30**

SECTION B: ECONOMY

QUESTION 4

- 4.1 Manufacturing✓
- 4.2 professional✓
- 4.3 free goods✓
- 4.4 economic goods ✓

- 4.5 consumers✓
- 4.6 poverty✓
- 4.7 self-sufficient✓
- 4.8 overpopulation✓
- 4.9 Constitution✓
- 4.10. water✓

(1x10=10)
[10]

QUESTION 5

5.1 durable✓✓ portable✓✓, divisible✓✓, homogenous, generally accepted.

(Any 3 for 2 marks each) (6)

5.2 It retains its value for a long period of time. ✓✓ (2)

5.3 (Wampum / **Cowry shells**✓✓) (2)

[10]

TOTAL SECTION B: 20

SECTION C: FINANCIAL LITERACY

QUESTION 6

6.1 recording✓, transactions✓, books✓, accounts✓ (4X1=4)

6.2 capital✓ (1)

6.3

	Income	Expenses	Difference	Profit or loss
E.g.	R300	R100	R200	Profit
1	R10 200	R6 400	R3800 ✓	profit ✓
2	R5 200	R7 800	R-2600 ✓	loss ✓

(4X1=4)

[9]

QUESTION 7

XOLILE KHOSA STATEMENT OF NET WORTH	R
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Property	150 000√
Car	75 000√
Furniture	123 000√
Savings account	4 000√
Money in bank	1 670√
Computer	12 400√
Cell phone	2 100√
Total Assets	368 170√√
Clothing account	4 500√
Loan to uncle	2 000√
Credit cards	30 000√
Total Liabilities	R36 500√
NET WORTH	R331 670√√

(1x15=15)
[15]

QUESTION 8

8.1. A budget is an estimate or plan√ of the money that you will receive √and how you will spend it over a specific period in the future. √
(3)
[3]

QUESTION 9

9.1 Income: The money you receive from selling goods, providing services or investing your money. ✓

9.2 Expenses: The money you spend to buy goods or services provided by someone else. ✓

9.3 Profit: When income is more/ higher than the expenses. ✓

9.4 Loss: When expenses are more than the income. ✓

9.5 Transaction: The act of buying or selling. ✓

(1x5=5)
[5]

QUESTION 10

10.1

Investment options:		Description
1	Invest in property 	A business can purchase a property for the business or to rent to other businesses ✓✓ or people and receive income from it ✓✓. OR the value of the property will increase over a few years ✓✓, which will increase the business' investment. (Any other correct explanation, any 1 correct statement for 2 marks)
2	Notice deposits 	This account at the bank offers a higher rate of interest, but notice must be given before money can be withdrawn. ✓✓ OR Notice could be 30, 32 or 60 days. The rate of interest offered will depend on the notice period. ✓✓ (Any other correct explanation, any 1 correct statement for 2 marks)

10.2 **Savings:** Over a short period of time ✓✓, savings are normally used to pay for unexpected expenses, ✓✓ money put away for a specific goal

(Any other correct and relevant explanation for 2 marks)

Investment: Over a longer period of time ✓✓, you buy a valuable item like a property or painting ✓✓, it will generate an income over the long run ✓✓

(Any other correct and relevant explanation for 2 marks)

(4)

[8]

QUESTION 11

11.1 R12 800✓ (1)

11.2 R11 000 ✓ (1)

11.3 Yes✓, R1800✓ (2)

11.4

Wages	Salaries
Paid on a weekly basis✓✓	Paid on a monthly basis✓✓

(2x2) (4)

11.5 Any relevant and correct answer. The answer must contain that either she must increase her income✓✓ or decrease her expenses✓✓. Learners can also give a practical example like do more hair services or spend less money on her phone bill. ✓✓ (2)

[10]

TOTAL SECTION C: 50
GRAND TOTAL: 100