



education

Department:
Education
PROVINCE OF KWAZULU-NATAL

GENERAL EDUCATION AND TRAINING

UMZINYATHI DISTRICT

ECONOMIC AND MANAGEMENT SCIENCES

[EMS]

MID – YEAR CONTROLLED TEST – 2025

GRADE 7

INSTRUCTIONS

- Read each question carefully.
- Write neatly and legibly
- Answer all questions using the spaces provided
- Use a blue pen to write your answers

CMC : _____

CIRCUIT : _____

SCHOOL : _____

LEARNER'S NAME: _____

DATE : _____

SECTIONS	CONTENT AND	MARK ALLOCATION	LEARNER MARK
SECTION A	Economy & financial literacy	10 Marks	
SECTION B	Economy	25 Marks	
SECTION C	Financial literacy	65 Marks	
		LEARNER TOTAL MARK	

QUESTION 1 MULTIPLE CHOICE QUESTIONS

[5]

Four possible options are provided as answers to the following questions. Choose one correct answer from the alternatives given below. Circle the letter indicating the correct answer.

E.g. 1.1.6

☒ A

1.1 A transaction is... (1)

- A. A financial action or event that takes place in a business.
- B. Items of value that belongs to a business.
- C. The act of using the services that a bank provides.
- D. The amount at which goods and services are sold to consumers.

1.2 One of the reasons why coins are used as a form of money is because... (1)

- A. They cannot be used for trade purposes.
- B. They are easy to find
- C. They are durable and carry value.
- D. They cannot be divided into various sizes.

1.3 Which one of the following expenses is a business expense...? (1)

- A. Advertising
- B. Groceries
- C. Personal entertainment
- D. School fees

1.4 Economic challenges presented by life in urban areas are... (1)

- A. High cost of living
- B. Pollution
- C. Influx of people
- D. All of the above

1.5 The expenditure part of a budget reflects. (1)

- A. Incomes
- B. Assets
- C. Expenses
- D. Liabilities

QUESTION 2 – MATCHING COLUMNS**[5]**

Choose a statement from column A that matches the term in column B. Write only the letter indicating the correct answer in the spaces provided. E.g. 2.1.6 D

	Column A	Column B	Answer
2.1	Themba bakes cakes & sells them in the local market	A. Net worth	(1)
2.2	The monetary value of a person on a specific date.	B. Business budget	(1)
2.3	Promoting inclusive economy that benefits all sectors of society	C. Consumer	(1)
2.4	A statement that businesses use to plan how to spend their money	D. Scarcity	(1)
2.5	Limited resources create inability to satisfy needs and wants	E. Producer	(1)
		F. Economic growth	

SECTION B – THE ECONOMY**[25 MARKS]****QUESTION 3****[8 MARKS]**

3.1 Read the following statements. Classify each of them under the correct heading to compare the **TRADITIONAL SOCIETY** and **MODERN SOCIETY**. (4)

STATEMENTS

- ◆ There was no trade and no money.
- ◆ They use coins and notes to pay.
- ◆ They did not use technology.
- ◆ They produce goods and services not only for living but for resale.

Re-write the complete statement under the correct heading in the following table.

TRADITIONAL SOCIETY	MODERN SOCIETY
(1)	(1)
(1)	(1)

3.2 The role of the money and electronic banking

(2)

3.2.1. Explain the role of money as a medium of exchange.

3.2.2 Define electronic banking.

(2)

QUESTION 4

[8 MARKS]

4.1 Differentiate between primary needs and secondary needs and give one example of each. (4)

4.2 Identify the objects below and classify them as either a NEED or a WANT. Write the names of the objects on the table below. (4)



NEEDS	WANTS
(1)	(1)
(1)	(1)

QUESTION 5**[5 MARKS]**

We can recycle waste materials to produce new goods, for example plastic containers for fruit juice can be collected, processed and used to produce new products like plastic and chairs.

You can reuse materials instead of throwing them away or pass those materials on to others who could use them. Remember, one man's trash is another man's treasure!

5.1 Briefly discuss how recycling and reusing goods can satisfy needs and wants

(3)

5.2 Explain how the following goods and services can be used efficiently.

(2)

Electricity -

Water -

QUESTION 6**[4 MARKS]**

South Africa is one of the countries with the most unequal distribution of income. This means that there is a huge difference between the income of the poor and the income of the rich. The South African economy presents the situation where the rich is getting richer, and the poor is getting poorer.

6.1 How can the government address the problem of socio-economic imbalances in South Africa?

(2)

6.2 Explain one challenge faced by people living in urban areas.

(2)

SECTION C- FINANCIAL LITERACY**[65 MARKS]****QUESTION 7****[15 MARKS]**

7.1 List two reasons why people save money.

(2)

7.2 Give two examples of financial records.

(2)

7.3 Use the table below to classify the following accounts into ASSETS, LIABILITIES and EXPENSES.

(6)

Trading stock, Creditors, Insurance, Bank overdraft, Vehicles and Cash float.

ASSETS	LIABILITIES	EXPENSES

7.4 Define the following terms.

7.4.1 **Budget** - _____

(2)

7.4.2 **Income** - _____

(2)

7.5 Explain when does a business incur a loss

(1)

QUESTION 8**[14 MARKS]**

Below is a business budget of John. Traders for 30 June 2025. Study the information on the budget and answer the questions that follow.

John Traders business budget for 30 June 2025

	R	C	
INCOME			
Sales income	R 45 750		
Current income	R 4 800		
TOTAL INCOME	A =		(2)
EXPENDITURES			
Rent	R 6 500		
Buying of stock	R 25 400		
Water and electricity	R 2 100		
Telephone	R 60		
Repayment on bond	R 4 500		
Sundry expenses	R 3 860		
TOTAL EXPENDITURE	B =		(2)
Surplus / Deficit	C =		(2)
Bank Opening Balance	R 8 700		
Bank Closing Balance	D =		(2)

8.2 Income and Expenditure

8.2.1 What can an individual do with the money that is left after paying all their expenses?

(2)

8.2.2 Do you think it is possible for a business to continue operating if the income John Traders earns is less than their expenses? Discuss TWO points and use examples to support your answer.

(4)

QUESTION 9**[36 MARKS]****9.1 Statement of net worth****(12)**

Read the following case study. Draw a statement of **NET WORTH** and calculate Bongile's current net worth.

Bongile Hadebe is a very active girl and enjoys sport activities. On the 31st of June 2025, she had the following assets and liabilities:

- Mountain bike R12000
- Tennis racket R1100
- Skateboard R350
- Saving Account R260
- Outstanding amount on the mountain bike R6400
- Store account R1000

Statement of net worth for Bongile Hadebe on 31 June 2025

ASSETS:	R	c
TOTAL ASSETS		
LIABILITIES:		
TOTAL LIABILITIES		
NET WORTH		

9.2 Business income and expenses**(12)**

Study the information below and answer the questions that follow.

Dube traders had the following income and expenses for March 2025

Salaries and Wages	R9200	Telephone and internet costs	R 1 350
Transport and fuel costs	R1800	Sales income	R 11 700

Water and electricity	R1300	Interest received	R 5 500
Current income	R12000		
Advertising	R1200		

9.2.1 Calculate the Dube Trader's total income for March 2025. (4)

9.2.2 Calculate the Dube Trader's total expenses for March 2025. [6]

9.2.3 Suggest one way in which the Dube Traders can increase their income and decrease expenses. (2)

9.3 Savings and investments [12]

9.3.1. Categorize the following items into savings and investments (6)

- Fixed deposits
- Buying shares
- Life cover
- Bonds
- Stokvel scheme
- 32-day notice accounts

SAVINGS	INVESTMENTS
(1)	(1)
(1)	(1)
(1)	(1)

9.3.2 State the difference between savings and investments items

(4)

9.3.3 Briefly explain how can savings and investments contribute to economic growth? (2)

TOTAL: 100 MARKS