



# education

Department:

Education

PROVINCE OF KWA-ZULU NATAL

## GENERAL EDUCATION AND TRAINING

**Economic and Management Sciences**

**Grade 7**

**MID-YEAR CONTROLLED TEST**

**2024**

### MARKING GUIDELINE

**Duration: 90 Minutes**

**Marks: 100**

**This Marking Guideline consists of 11 pages.**

| SECTION                                                            | QUESTIONS                    | MARK ALLOCATION |
|--------------------------------------------------------------------|------------------------------|-----------------|
| <b>A</b><br>• Economy<br>• Financial Literacy<br><b>(15 marks)</b> | 1 Multiple Choice            | 5               |
|                                                                    | 2 Fill in the Missing Words  | 5               |
|                                                                    | 3 Matching                   | 5               |
| <b>B</b><br>• The Economy<br><br><b>(25 marks)</b>                 | 4 History Of Money           | 8               |
|                                                                    | 5 Needs And Wants            | 8               |
|                                                                    | 6 Goods And Services         | 5               |
|                                                                    | 7 Urban And Rural Challenges | 4               |
| <b>C</b><br>• Financial literacy<br><b>(60 marks)</b>              | 8 Accounting Concepts        | 12              |
|                                                                    | 9 Budgets                    | 14              |
|                                                                    | 10 Income And Expenses       | 34              |
| <b>TOTALS</b>                                                      |                              | <b>100</b>      |

**SECTION A****QUESTION 1****MULTIPLE CHOICE**

Various options are provided as possible answers to the following questions. Choose the correct answer and write only the letter (A–D) in the space provided next to the question number (1.1–1.5) for example 1.1.6 D.

- 1.1 Business XYZ has an income of R10 000 and expenses worth R2500. (1)  
Therefore, the business has made a:  
A. Loss  
B. Income  
C. Profit  
D. Expenses C✓
- 1.2 John exchanges his sandwich for a banana. This form of trading is (1)  
called?  
A. Banking  
B. Bartering  
C. Selling  
D. Buying B✓
- 1.3 All the money that the business earns is referred to as... (1)  
A. Liabilities  
B. Assets  
C. Banking  
D. Incomes D✓
- 1.4 An example of a challenge experienced in an urban area: (1)  
A. Savings  
B. Banking  
C. Over population  
D. Entrepreneurship C✓
- 1.5 When calculating statement of net worth we use the following formula. (1)  
A. Income - Liabilities  
B. Income –Expenses  
C. Total assets –Total liabilities  
D. Income + Expense C✓

**QUESTION 2****FILL IN THE MISSING WORD**

Complete the following statements by using a word from the word bank below. Write only the word next to the question number in the space provided.

|                   |                     |                    |
|-------------------|---------------------|--------------------|
| <b>Capital;</b>   | <b>Expenditure;</b> | <b>Investment;</b> |
| <b>Incomes;</b>   | <b>Producers;</b>   | <b>Equality;</b>   |
| <b>Consumers;</b> | <b>Inequality;</b>  | <b>Savings;</b>    |

- 2.1 \_\_\_\_\_ are people who use resources to make goods or provide services. (1)

PRODUCERS✓

- 2.2 Njabulo has put R50000 of his own money into a business. This can be referred to as \_\_\_\_\_. (1)

CAPITAL✓

- 2.3 Education can be seen as a strategy to fight \_\_\_\_\_. (1)

INEQUALITY✓

- 2.4 Bongani bought a property in Newcastle. This is a form of an \_\_\_\_\_. (1)

INVESTMENT✓

- 2.5 John formulates his budget to pay for groceries, fuel and school fees. These are examples of \_\_\_\_\_. (1)

EXPENDITURE✓

**QUESTION 3****MATCHING**

Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–E) to the question numbers (3.1 to 3.5) in the SPACE PROVIDED, e.g. 3.6 F.

| COLUMN A             | ANSWER | COLUMN B                                                            |
|----------------------|--------|---------------------------------------------------------------------|
| 3.1 Coins            | C✓     | A. Monthly household electricity bill is an example of a.....       |
| 3.2 Economic problem | D✓     | B. Money received by Checkers for selling goods is regarded as..... |
| 3.3 Personal Expense | A✓     | C. The use of metals as a medium of exchange                        |
| 3.4 Business expense | E✓     | D. Shortage of coal to produce electricity.                         |
| 3.5 Business income  | B✓     | E. Tim pays his casual staff their wages at the end of the week     |

[5]

**TOTAL [15]****SECTION B****QUESTION 4**

Read the instructions below provide a response.

- 4.1 Arrange the items from the word bank below under the appropriate column in the table provided. (4)

| Shells                                                                                                                                                                          | Bartering        | EFT Payments | Credit Card |                       |                  |         |               |            |              |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|--------------|-------------|-----------------------|------------------|---------|---------------|------------|--------------|
| <table><tr><th>Traditional Societies</th><th>Modern Societies</th></tr><tr><td>SHELLS✓</td><td>EFT PAYMENTS✓</td></tr><tr><td>BARTERING✓</td><td>CREDIT CARD✓</td></tr></table> |                  |              |             | Traditional Societies | Modern Societies | SHELLS✓ | EFT PAYMENTS✓ | BARTERING✓ | CREDIT CARD✓ |
| Traditional Societies                                                                                                                                                           | Modern Societies |              |             |                       |                  |         |               |            |              |
| SHELLS✓                                                                                                                                                                         | EFT PAYMENTS✓    |              |             |                       |                  |         |               |            |              |
| BARTERING✓                                                                                                                                                                      | CREDIT CARD✓     |              |             |                       |                  |         |               |            |              |

- 4.2 Sam does not need to carry cash any longer as he makes use of electronic banking. Analyse two **advantages** and two **disadvantages** of using electronic banking. (4)

| Advantage                                                                                                                                                                                       | Disadvantage                                                                                                                                                                                                                    |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>You can do banking at anytime✓</li> <li>Its faster ✓</li> <li>You do not need to carry cash with you✓</li> </ul> <p><b>Any other relevant answer</b></p> | <ul style="list-style-type: none"> <li>You need access to a computer and internet ✓</li> <li>Password can be stolen and money gets stolen ✓</li> <li>Phishing is a problem ✓</li> </ul> <p><b>Any other relevant answer</b></p> |

**QUESTION 5**

Read the questions below and answer the questions that follow.

- 5.1 List any **TWO** primary and secondary needs a person may have. (4)

| Primary                   | Secondary                 |
|---------------------------|---------------------------|
| 1. FOOD✓                  | 1. CELLPHONE✓             |
| 2. AIR✓                   | 2. COMPUTER✓              |
| Any other relevant answer | Any other relevant answer |

- 5.2 Explain the difference between Needs and Wants. (4)

|              |                                                         |
|--------------|---------------------------------------------------------|
| <b>Needs</b> | Needs is something that we can not live without them ✓✓ |
| <b>Wants</b> | Wants are that we can live without them ✓✓              |

**QUESTION 6**

Read the questions below and provide responses

- 6.1 Maximise the use of any **ONE** of the following items to satisfy needs or wants by describing how this item can be converted into something useful to be used or sold. (3)



**BOTTLE CAPS**



**CAR TYRES**



**WOODEN PALLETS**

Item: Any one of the three

**Description:** Each item must be described from its original use to a useful item. Example:

Wooden pallets into garden furniture ✓✓✓

- 6.2 Explain how goods and services can be used efficiently and effectively. (2)  
Producing a result that is wanted.

Efficient means "capable of producing desired results without wasting materials, time, or energy. ✓✓ (Any suitable answers)

**Question 7**

**Read the case study below and answer the questions that follow**

While South Africa is rich in natural resources, it is still facing many socio-economic challenges such as: high unemployment rates and poverty that are mainly caused by overpopulation.

Although the government is trying to re-dress these challenges it is still faced with high corruption mostly in the public sector.

**7.1 Formulate a solution that could be used to address Overpopulation.** (2)

One child policy ✓✓

Educate the masses on contraceptives

Economic incentives

( accept any logical response)

**7.2 Identify two urban challenges mentioned in the case study.** (2)

- High unemployment rates ✓

- Poverty ✓

**SECTION C****QUESTION 8**

**Classify the examples below by placing a cross in the correct column.** (12)

| No.         | Examples                     | Current Assets | Non-Current Assets | Current Liabilities | Non-Current Liabilities | Fixed Expenses | Variable Expenses |
|-------------|------------------------------|----------------|--------------------|---------------------|-------------------------|----------------|-------------------|
| <b>E.g.</b> | <b>Equipment</b>             |                | X                  |                     |                         |                |                   |
| 8.1         | Water and electricity        |                |                    |                     |                         |                | X✓                |
| 8.2         | Repairs                      |                |                    |                     |                         |                | X✓                |
| 8.3         | Savings account              | X✓             |                    |                     |                         |                |                   |
| 8.4         | Mortgage loan                |                |                    |                     | X✓                      |                |                   |
| 8.5         | Creditors                    |                |                    | X✓                  |                         |                |                   |
| 8.6         | Vehicles                     |                | X✓                 |                     |                         |                |                   |
| 8.7         | Debtors                      | X✓             |                    |                     |                         |                |                   |
| 8.8         | Telephone account            |                |                    |                     |                         |                | X✓                |
| 8.9         | Wages paid to casual workers |                |                    |                     |                         |                | X✓                |
| 8.10        | Bank overdraft               |                |                    | X✓                  |                         |                |                   |
| 8.11        | Advertising                  |                |                    |                     |                         | X✓             |                   |
| 8.12        | Land and buildings           |                | X✓                 |                     |                         |                |                   |

**QUESTION 9**

**Read the scenario below and answer the question that follows.**

Prince Traders sells and repairs shoes.

The sales (income) for shoes sold in December was R 114 800.

Prince Traders had the following expenses for the month.

- Staff salaries R 35 000
- Bond repayment R 8 500
- Leather purchases R 15 400
- Fabric purchases R 2 500
- Water and electricity R 3 100
- Telephone R 860
- Men's insoles R 2 300

- 9.1 Use the above information to prepare and design a cash budget for Prince Traders on 31 January 2024. (12)

|                            | Amount   | Total             |
|----------------------------|----------|-------------------|
| <b>Receipts (Income)</b>   |          | <b>114 800✓</b>   |
| Sales                      | 114 800✓ |                   |
| <b>Payments (Expenses)</b> |          | <b>(67 660) ✓</b> |
| Staff salaries             | 35 000✓  |                   |
| Bond repayment             | 8 500✓   |                   |
| Leather purchases          | 15 400✓  |                   |
| Fabric purchases           | 2500✓    |                   |
| Water and electricity      | 3100✓    |                   |
| Telephone                  | 860✓     |                   |
| Men's insoles              | 2300✓    |                   |
| <b>Surplus✓</b>            |          | <b>47 140 ✓</b>   |

**NB: MAKE SURE YOU UNDERLINE WHETHER IT IS A SURPLUS OR A DEFICIT**

- 9.2 Elaborate on why you think it is important to draw up a budget (2)

To avoid overspending✓✓

To save

(any suitable answers)

**Question 10****Read the scenario below and complete the statement of Net Worth.**

Information relating to client Joe Sithole as of May 2024.

| <b>INFORMATION</b>   |            |
|----------------------|------------|
| Town House           | R 500 000. |
| Vehicle Loan Balance | R 45 000.  |
| Car Value            | R 115 000. |
| Furniture            | R 87 000.  |
| Home Loan Balance    | R 350 000. |
| Jewellery            | R1 000.    |
| Savings              | R 17 000.  |
| Clothing account     | R 4 000    |

- 10.1 Interpret the information above, prepare a Statement of Net Worth for Joe as of 31 May 2024 (12)

| <b>Statement of Net Worth for Joe Soap as of 31 May 2024</b> |               |                   |
|--------------------------------------------------------------|---------------|-------------------|
|                                                              | <b>Amount</b> | <b>Total</b>      |
| <b>Assets</b>                                                |               | <b>R720 000✓</b>  |
| Town House                                                   | R 500 000✓    |                   |
| Car                                                          | R 115 000✓    |                   |
| Furniture                                                    | R 87 000✓     |                   |
| Jewellery                                                    | R 1 000✓      |                   |
| Savings                                                      | R 17 000✓     |                   |
|                                                              |               |                   |
| <b>Liabilities</b>                                           |               | <b>R399 000✓</b>  |
| Clothing Account                                             | R 4 000 ✓     |                   |
| House Loan                                                   | R 350 000✓    |                   |
| Vehicle loan                                                 | R 45 000✓     |                   |
| <b>NET WORTH</b>                                             |               | <b>R321 000✓✓</b> |

**10.2 Read the questions below and provide an answers**

10.2.1 List any three types of income that a business will receive. (3)

Current income✓

Rent income✓

Interest income

(Any 2 suitable answer)

10.2.2 Rewrite the statements below next to the correct term in the table (7)

- ~~An example of a necessary work place items~~
- The running costs of a business
- An example of payments for a service delivered to the business
- The cost price of goods sold in a business
- Cables and switches used by an electrician
- Money received for selling goods
- Money received for renting out part of the business building
- Money received for providing a service

| Term                       | Statements                                                              |
|----------------------------|-------------------------------------------------------------------------|
| <b>Example: Stationery</b> | <b><i>An example of a necessary work place item.</i></b>                |
| Cost of sales:             | The cost price of goods sold in a business✓                             |
| Rent income:               | Money received for renting out part of the business building✓           |
| Sales:                     | Money received for selling goods✓                                       |
| Material costs:            | Cables and switches used by an electrician✓                             |
| Telephone:                 | An example of payments for telephone service delivered to the business✓ |
| Operating expenses:        | The running costs of a business✓                                        |
| Current income:            | Money received for providing a service✓                                 |

**10.3 Read the questions below and provide answers.****10.3.1 Differentiate between saving and investment, and give one example of each. (6)**

Saving is money put away for future use. ✓✓ Example putting money in a savings account. ✓

Investment is when you put money away with the intention of growing your money. ✓✓ Example putting money in a fixed deposit account. ✓

Any suitable answer

**10.3.2 Your brother has started a car wash business. Use your EMS knowledge to advise him on at least two benefits of saving. (4)**

To put money aside for emergencies✓, to buy a car✓, for unexpected expenses.

Any 2 suitable answer

**10.3.3 Rachel has inherited R1 million. She has asked you to advise her on how she can invest her money. Suggest one way and motivate your answer. (2)**

She could put her money in a fixed deposit account✓

She could buy property✓

She could open a business

Any 2 suitable answer