Laerskool Van Dyk Primary

EMS - Gr 7
Examinator: Mrs. C. Kruger
Moderator : Mrs. E. Erwee
Date: November 2020
Term 4

EMIS:700160994
Time: 90 minutes

Marks: 100

Name and Surname: _____   Gr. 7 _____

MARK _____   _____

	100		
	1	-	0 - 29
	2	-	30 - 39
	3	-	40 - 49
	4	-	50 - 59
	5	-	60 - 69
	6	-	70 - 79
	7	-	80 - 100

Topics and Aims:
1. Financial Literacy
2. Entrepreneurship
3. The Economy

SECTION A

Short Questions
Question1   10 marks
Question2   5 marks
Question 3   5 marks
Total Section A: 20 marks

SECTION B

Economy   Question 4   20 marks
Entrepreneurs   Question 5   20 marks

Total Section B: 40 marks

SECTION C:

Financial literacy	Question6	10	marks
Financial literacy	Question 7	20	marks
Financial literacy	Question 8	10	marks
	Total Section C:	40	marks

TOTAL   100 marks

Instructions:
- Answer ALL the questions.
- Questions 4,5,7and 8 must be completed on the answer sheet.
- Write your name on the answer sheet.
- This question paper consists out of 8 pages.

Section A

Question 1:

1. Choose the correct answer and write only the letter on the line provided. F

   1.1. Money that you will have to borrow from somebody

   a) Own Capital

   b) Physical Capital

   c) Human Capital   _____

   d) Borrowed Capital

   1.2. Choose the best description for an informal business

   a) It is a business that operates from a building registered in the business name.

   b) The business is legally registered and pay tax.

   c) The Business must pay minimum wages to all the employees   _____

   d) The business is easy to start and there is no legal requirements.

   1.3. The correct accounting equation is:

   a) Assets =Owner's Equity – Liabilities

   b) Assets = Owner's Equity + Liabilities

   c) Owner's Equity = Assets – Liabilities   _____

   d) Owner's Equity = Assets + Liabilities

   1.4. Choose the answer that does **NOT fit**: SMART goals include the following:

   a) Specific

   b) Modern

   c) Realistic   _____

   d) Timely

1.5. Choose the item that will not be recorded as an expense

a) Salaries and wages
b) Electricity
c) Trading License
d) Commission received

_____

TOTAL Question 1: (5 x2=10)

Question 2:

2. Fit the description in column B with the word in column A, write only the letter next to the number, for example 2.6 - F

COLUMN A	COLUMN B
2.1 Accounting	**A)** A plan for the estimated income and expenses of a business
2.2 Advertising	**B)** The owner's investment in the business plus income less expenses
2.3 Stokvel	**C)** A system of collecting documents and recording transactions of the bank accounts of the business in various books
2.4 Budget	**D)** A group of people that come together and deposit a certain amount of money every month and then take turns in taking the whole amount every month.
2.5 Owner's equity	**E)** Any form of presentation of your product or idea with the aim of getting customers interested in buying your product

Answers:

2.1 - _____   2.2 - _____   2.3 - _____

2.4 - _____   2.5 - _____

TOTAL Question 2: (5 x1=5)

Question 3:

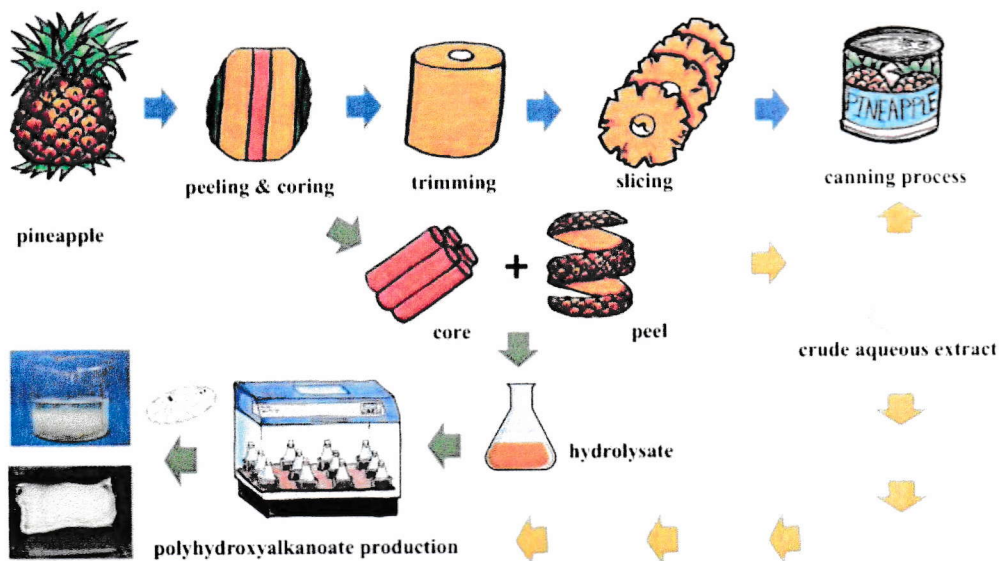3. Indicate if the following statements are TRUE of FALSE. Write only the words TRUE or FALSE on the answer sheet:

3.1. Current assets has long term value and can be used to generate income for the business. _____

3.2. Workers receive wages every month for the work they have done. _____

3.3. Liabilities is any money that is owed to people outside the business and it is good for the business. _____

3.4. Goals give a business a sense of direction and purpose. _____

3.5. Entrepreneurs are people that want to start their own business but are afraid to take risks. _____

TOTAL Question 3: (5 x1=5)

TOTAL SECTION A: 20

SECTION B

Question 4:

pineapple → peeling & coring → trimming → slicing → canning process

core + peel → hydrolysate → polyhydroxyalkanoate production

canning process → crude aqueous extract

4. Study the illustration at the bottom of page 4 and answer the questions that follow:

4.1. All the steps that any product must follow from the beginning until it is ready for

consumption or use is called the... process.   (1)

4.2. Use the block below and **clearly** explain the **difference** between **needs** and **wants**:

(4)

NEEDS	WANTS

Underline the correct answer:

4.3. All the materials and factors of production that are used to make a good or service is

known as   (inputs / outputs)   (1)

4.4. Classify the following statements in **goods** OR **services**:   (5)

4.4.1. Mr. Mosige visit the doctor for a routine checkup.   _____

4.4.2. Sharon buys flowers for her mother in the gift shop.   _____

4.4.3. Mr. Makhado takes his car to the garage to fix the fan belt.   _____

4.4.4. Bennie has a luxury 4x4 vehicle.   _____

4.4.5. The groceries Jenny buys weekly in the supermarket.   _____

4.5. Name the four factors of production.   (4)

_____

_____

_____

_____

4.6. <u>Discuss the **disadvantages** of the use of **technology in the production process**.</u> (4)

_____

_____

_____

_____

_____

<u>Underline the correct answer:</u>

4.7. Resources that can **never be renewed** and must be used cautiously is known as

(renewable / non-renewable) resources. (1)

TOTAL Question 4 (20)

Question 5:

5. Read the following case study and complete the questions that follow:

Rina is the owner of a Hairsalon in a very big city. She is a talented hairdresser and has a lot of regular clients. She struggles a bit with back problems and to work for 8 hours a day is very difficult. Some of her employees resigned due to the fear of COVID 19 and she is short of employees.

She wants to expand her business, because she have a lot of extra space. She also considering to start a nail salon in part of the building. She needs to apply for a loan at the local bank to do the expansion. The outbreak of COVID 19 affected her business badly and she was forced to close during the lockdown period.

There is also another hair and nail salon down the street that offers a free head massage with every appointment. She decided to advertise her business to get more clients but are unsure of how to design any advertisement.

5.1. Use the <u>table on the next page</u> and do a SWOT analysis for the business (8)

6. SWOT ANALYSIS

Strengths	**Weaknesses**
	-

6.1. Discuss any three things any entrepreneur can do to achieve his/her goals.   (3)

_____

_____

_____

6.2. The **AIDA** principle must be applied in any advertisement that a business design. Explain the AIDA principal by naming the four elements.   (4)

_____

_____

_____

_____

6. SWOT ANALYSIS

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	-

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_____

_____

_____

6.2. The **AIDA** principle must be applied in any advertisement that a business design.
Explain the AIDA principal by naming the four elements.　　　(4)

_____

_____

_____

_____

7

6.3. Name any **two advantages** for a business if they use **recycled material**.   (2)

_____

_____

6.4. Recommend any **three strategies** that Rina can follow to ensure her business will be safe during the COVID 19 crisis.   (3)

_____

_____

_____

_____

TOTAL Question 5 (20)

TOTAL SECTIONB: 40

SECTIONC

Question 6:

6. Choose the correct accounting word from the block to fit the description:

Raw material	Bank account	Stationary	Overdraft	Maintenance
Trading stock	Liabilities	Vehicles	Capital	Petty Cash

6.1. Any company cars, trucks, tractors etc. that a business use for transport.   (1)

_____

6.2. Everything a business use to make their products or deliver the service.   (1)

_____

6.3. The money the owner deposit to start the business.   (1)

_____

6.4. The things a business buy and sell at a profit. (1)

_____

6.5. The place where all the money are deposited. (1)

_____

6.6. A small amount of notes and coins that the business keep to buy small purchases. (1)

_____

6.7. All the debts that the business has to pay. (1)

_____

6.8. A loan from the bank where the bank allows you to draw more money than you have in your account. (1)

_____

6.9. All the paper and writing and printing material. (1)

_____

6.10. The account a business use for all the repairs done. (1)

_____

TOTAL Question 6 (10)

Question7:

7. Read the following scenario and answer the question:

"Sara's Glamour" is a beauty salon. Sara is a very good business owner but she struggles with the accounting of her business. Please help Sara with the bookkeeping of her business by answering the following questions.

7.1 Use the table below and help Sara to organize all her slips according to income and expenses. (10)

	Description		Income	Expense
7.1.1	The Electricity Bill	1800		
7.1.2	Bank charges paid	150		
7.1.3	The Telephone account	1000		
7.1.4	Interest received on bank account	250		
7.1.5	Income received for beauty treatments for the month	7800		
7.1.6	Maintenance	1500		
7.1.7	Donation from family member	1000		
7.1.8	Paying the Fuel Account	800		
7.1.9	Interest on investment	200		
7.1.10	Payment on the Bond account	3000		

(10)

7.2 Calculate whether Sara's Glamour made a profit or a loss during the month. Use the figures in the table above. Show how you got to your answer. (7)

_____

_____

_____

_____

7.3 Calculate the **profit / loss** for the business in the table below. (Show your method of working out your answer.) (3)

Number	Income	Expense	**PROFIT / LOSS**
7.3.1	R 280 000	R 200 000	
7.3.2	R 560 000	R 560 000	
7.3.3	R 300 000	R 300 500	

TOTAL Question 7: (20)

Question 8:

8. Nico wants to start his own business, but he has to borrow money from the bank to finance his business. Use the information in the table below to help Nico compile a statement of net worth:

House	300 000
Vehicle	50 000
Loan to pay another vehicle	30 000
Salary	15 000
Bank overdraft	3 000
Clothing account	2 000
Savings account	5 000
Groceries	15 000
Furniture	8 000

STATEMENT OF NET WORTH		
ASSETS		
House		
Vehicle		
Furniture		
Savings account		
INCOME		
Salary		
EXPENSES		
Groceries		
LIABILITIES		
Clothing account		
Bank overdraft		
Loan to pay another vehicle		
NET WORTH		