



TOM NEWBY SCHOOL EXAMINATION

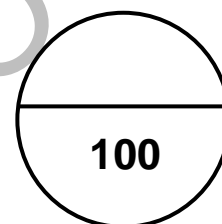


Subject	EMS	Examiner	MS L KLEMP
Date	NOVEMBER 2021	Total marks	100
Grade	7	Duration	2 HOURS
		Moderator	MRS A SINGH
Special instructions/ Equipment	Learners are allowed to use a calculator, but no borrowing is allowed.		
<small>This assessment has been compiled using notes and information contained in the Tom Newby School resource material. The marking memorandum has been compiled accordingly. While alternative responses will be given due acknowledgement, the official memorandum will be considered a priority document to ensure uniformity of marking.</small>			

Name:	Surname:	Class:
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Instructions:

- This paper is made up of 3 sections:
 Section A: Financial Literacy (50 marks)
 Section B: Entrepreneurship (25 marks)
 Section C: Economy (25 marks)
- Answer all questions, on the question paper.
- Read each question carefully and answer according to the mark allocation.
- Write neatly and legibly.



SECTION A: FINANCIAL LITERATURE (50 MARKS)

Question 1

1.1 Complete a Statement of Net Worth. The TNS bank has asked you to draw up a Statement of Net Worth to assess if you qualify for a personal loan. (13)

Here is your information:

Property	R 895 000
Loan from Uncle	R 2000
Furniture and Equipment	R 15 000
Owing on Credit Cards	R 1500
Value of Cell Phone	R 900
Clothing account	R 1200
Vehicle	R 12 000
Money still owed on Vehicle	R 1900
Money still owed on Property	R 35 000
Balance in my Savings Account	R 1250

Statement of Net Worth - Nov 2021

Assets		Liabilities	

Net Worth: _____

1.2 Do you think the TNS Bank would give you a personal loan? Explain your answer. (2)

Question 2

2.1 Use the information supplied below and draw up a budget for Zac's Art Gallery for December 2021. Zac's business earns about R 25 000 per month. (11)

His expenses are:

- Rent: R 5500
- Salaries: R 5000
- Water and Electricity: R 2100
- Advertising: R 920
- Stationary: R 2300
- Wages: R 1500

The business also receives R 750 per month from interest on a fixed deposit.

At the end of November 2021, the bank balance was R 2 200.

Zac's Art Gallery: Budget for Dec 2021

Income	Amount	Expenses	Amount
Total Income		Total Expenses	

2.2 What will his bank balance be at the end of December 2021? (2)

2.3 Do you think he should buy his own shop if the cost of the loan per month will be R 10 800. Give a reason for your answer. (2)

Question 3

Match Column A to Column B. Write the letter from Column B in the answer grid. (10)

Column A	Column B
3.1 Financial Capital	A. Expenses are more than the income
3.2 Working Capital	B. Plan of how to spend your future income
3.3 Fixed Assets	C. Source of money to start a business
3.4 Current Liabilities	D. Converting money to other denominations
3.5 Deficit	E. Income is more than expenses
3.6 Budget	F. Used to run the business from day to day
3.7 Fixed Expenses	G. Value of the business that belongs to the owner
3.8 Surplus	H. Indicates your wealth at a specific time
3.9 Statement of Net Worth	I. Will not be converted into cash within the next year
3.10 Foreign Exchange	J. Can be converted into cash within a year
	K. Cost that must be paid every month
	L. Short term loan
	M. Long term costs

3.1		3.2		3.3		3.4		3.5		3.6		3.7		3.8		3.9		3.10	
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Question 4

4.1. Why do people save money? Provide four reasons.

(4)

4.2. Explain how a Community Savings Scheme (Stokvel) functions.

(6)

SECTION B: ENTREPRENEURSHIP (25 MARKS)**Question 5**

5.1 Give a clear, concise definition of an Entrepreneur.

(2)

5.2 Name three characteristics of a successful Entrepreneur.

(3)

5.3 Name four skills of a successful Entrepreneur.

(4)

5.4 Explain the four basic actions that all entrepreneurs carry out in order to run their business.

(8)

5.5 Read the case study below and answer the questions that follow.

Moses Sibiya lives in the rural town of Hendrina. He has worked as a handy man for many years at a hotel in Middleburg, 50 kilometers from Hendrina. His father was a handy man and he taught Moses all the necessary skills, like welding, bricklaying, carpentry, tiling and painting. He was offered a job as a salesman at a hardware shop in Middleburg because of his knowledge



of the different tools and hardware products available on the market. After working as a salesperson for the past eight years, he is dreaming of opening his own hardware store in Hendrina.

He plans to sell the hardware goods (tools and materials) to the builders, carpenters, plumbers, metalworkers and homeowners who enjoy 'DIY' (do it yourself). He knows most of the building contractors in the area because he has done work for them in the past.

They promised to buy all their building supplies from him and two contractors offered him a commission of 10% for every building contract that he can get them. He speaks Zulu, English and Afrikaans fluently and has good people skills.

Moses has no knowledge of accounting and costing and he is not good with administration. His daughter is currently in grade 12 and has offered to do all of his bookkeeping and administration until he can afford to employ someone on a full-time basis.

He does not have a lot of start-up capital and will have to borrow money from his uncle to buy a delivery truck. Most of the suppliers of hardware know him very well and will be willing to grant him credit.

One of the contractors that he knows is currently building a new factory in Hendrina and is planning to build 20 new houses for the future workers who are moving their families from Johannesburg to Hendrina.

5.5.1 List five strengths that Moses has, that will help him to make his business a success. (5)

5.5.2 List two weaknesses that Moses has. (2)

5.5.3 Name one opportunity that will be good for his business, in the future. (1)

SECTION C: THE ECONOMY (25 MARKS)**Question 6**

6.1 Name and explain the three stages of Production. (6)

6.2 What are the four factors of Production? (4)

6.3 List 3 advantages and 3 disadvantages regarding the use of technology. (6)

Advantages

1.

2.

3.

Disadvantages

1.

2.

3.

6.4 List 3 socio-economic challenges for each of the areas listed below. (6)

Urban Areas	Rural Areas
1)	1)
2)	2)
3)	3)

6.5 Name three strategies that can be used to create employment. (3)

GRAND TOTAL = 100 MARKS

Grade 7 EMS Test November 2021

Performance Analysis

(For teacher use only)

Name and Surname: _____ **Class:** _____

Section A: Financial Literacy	Q1	Q2	Q3	Q4
Possible Mark	15	15	10	10
Learner Mark				

Section B: Entrepreneurship	Q5
Possible Mark	25
Learner Mark	

Section C: The Economy	Q6
Possible Mark	25
Learner Mark	