



## TOM NEWBY SCHOOL EXAMINATION



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<b>Subject</b>	<b>EMS</b>	<b>Examiner</b>	<b>MRS L KLEMP</b>
<b>Date</b>	<b>JUNE 2021</b>	<b>Total marks</b>	<b>100</b>
<b>Grade</b>	<b>7</b>	<b>Duration</b>	<b>2 HOURS</b>
		<b>Moderator</b>	<b>MRS A SINGH</b>
<b>Special instructions/ Equipment</b>	<b>Learners are allowed to use a calculator, but no borrowing is allowed.</b>		

### MEMORANDUM

<b>NO.</b>	<b>ANSWER</b>	<b>MARK</b>	<b>LEVEL</b>
1.1	<p>Fill in the missing word.</p> <p>a. <b>Durable</b> ✓ goods are goods that will last for a long time.</p> <p>b. <b>Capital</b> ✓ goods are goods that are used to produce other goods.</p> <p>c. <b>Semi-finished</b> ✓ goods are used to manufacture other goods.</p>	6	3
1.2	<p>Name and explain the two types of services.</p> <p><b>Personal services</b> ✓ Services are carried out by professionals e.g. doctors, provide medical services. You pay for their time. ✓</p> <p><b>Commercial services</b> ✓ Transporting people, goods or information from one place to another. ✓</p>	4	3
1.3	<p>Explain the difference between Producers and Consumers.</p> <p><b>Producers: produce goods and services for consumers</b> ✓✓</p> <p><b>Consumers: buy goods and services from producers</b> ✓✓</p>	4	3

1.4	<p>List two benefits of Recycling.</p> <p>If we recycle, we use less of the resources (raw materials) we get from earth.  Recycling helps save energy  If we reuse metals such as iron, we do not need to use electricity to process iron ore.  Recycling reduces pollution  (any 2 options) ✓✓</p>	2	5
1.5	<p>Explain the difference between Inequality and Poverty.</p> <p>Inequality is when some people have something that other people do not have. ✓✓  Poverty occurs when income is too low to meet the basic needs. ✓✓</p>	4	4
1.6	<p>Name and explain the 5 reasons for the difference in income amongst people.</p> <p>Education and training: ✓  Further education is not attended by all. ✓</p> <p>Sexism: ✓  Prefer to employ males over females. ✓</p> <p>Racism: ✓  Employment is based on race. ✓</p> <p>Personal preference: ✓  Volunteers do not need to be paid. ✓</p> <p>Innate ability: ✓  Natural talent – tennis player. ✓</p> <p>Nepotism: ✓  Jobs for family. ✓</p>	10	4

2.1	<p>Net Worth of Precious Family ✓</p> <table border="1" data-bbox="264 254 1166 779"> <thead> <tr> <th data-bbox="264 254 574 306">Assets</th> <th data-bbox="574 254 748 306"></th> <th data-bbox="748 254 997 306">Liabilities</th> <th data-bbox="997 254 1166 306"></th> </tr> </thead> <tbody> <tr> <td data-bbox="264 306 574 359">House</td> <td data-bbox="574 306 748 359">95000 ✓</td> <td data-bbox="748 306 997 359">Home loan</td> <td data-bbox="997 306 1166 359">45000 ✓</td> </tr> <tr> <td data-bbox="264 359 574 411">Mom's Car</td> <td data-bbox="574 359 748 411">12000 ✓</td> <td data-bbox="748 359 997 411">Car balance</td> <td data-bbox="997 359 1166 411">5000 ✓</td> </tr> <tr> <td data-bbox="264 411 574 464">Dad's Car</td> <td data-bbox="574 411 748 464">10000 ✓</td> <td data-bbox="748 411 997 464">Clothing</td> <td data-bbox="997 411 1166 464">500 ✓</td> </tr> <tr> <td data-bbox="264 464 574 516">Investment</td> <td data-bbox="574 464 748 516">15000 ✓</td> <td data-bbox="748 464 997 516">Credit card</td> <td data-bbox="997 464 1166 516">2000 ✓</td> </tr> <tr> <td data-bbox="264 516 574 569">Savings</td> <td data-bbox="574 516 748 569">1200 ✓</td> <td data-bbox="748 516 997 569"></td> <td data-bbox="997 516 1166 569"></td> </tr> <tr> <td data-bbox="264 569 574 621">Furniture</td> <td data-bbox="574 569 748 621">4500 ✓</td> <td data-bbox="748 569 997 621"></td> <td data-bbox="997 569 1166 621"></td> </tr> <tr> <td data-bbox="264 621 574 674">Household items</td> <td data-bbox="574 621 748 674">1200 ✓</td> <td data-bbox="748 621 997 674"></td> <td data-bbox="997 621 1166 674"></td> </tr> <tr> <td data-bbox="264 674 574 726">Jewellery</td> <td data-bbox="574 674 748 726">900 ✓</td> <td data-bbox="748 674 997 726"></td> <td data-bbox="997 674 1166 726"></td> </tr> <tr> <td data-bbox="264 726 574 779">Total</td> <td data-bbox="574 726 748 779">139800 ✓</td> <td data-bbox="748 726 997 779">Total</td> <td data-bbox="997 726 1166 779">52500 ✓</td> </tr> </tbody> </table> <p data-bbox="264 842 889 894">Net Worth: <math>139800 - 52500 = 87300</math> ✓</p>	Assets		Liabilities		House	95000 ✓	Home loan	45000 ✓	Mom's Car	12000 ✓	Car balance	5000 ✓	Dad's Car	10000 ✓	Clothing	500 ✓	Investment	15000 ✓	Credit card	2000 ✓	Savings	1200 ✓			Furniture	4500 ✓			Household items	1200 ✓			Jewellery	900 ✓			Total	139800 ✓	Total	52500 ✓	15	5
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3.1	<p>What do you notice about Miss Amy Spark's Budget?</p> <p data-bbox="264 1041 808 1083">Income is more than expenses. ✓</p>	1	2																																								
3.2	<p>Is this a balanced budget? Give a reason for your answer.</p> <p data-bbox="264 1251 776 1335">Yes ✓ Income more than expenses. ✓</p>	2	5																																								
3.3	<p>Should she be saving any money? Give a reason for your answer.</p> <p data-bbox="264 1514 695 1598">Yes ✓ For unplanned expenses ✓</p>	2	5																																								
3.4	<p>What can she give up to ensure she saves more money?</p> <p data-bbox="264 1766 979 1850">Private Chef ✓ Minimise entertainment/clothing expenses ✓</p>	2	5																																								

3.5	<p>What is the difference between Income and Expenses?</p> <p>Income – money earned. ✓</p> <p>Expenses – money spent. ✓</p>	2	5																		
3.6	<p>Why is it better to have a Surplus than a Deficit in a business?</p> <p>Surplus means you have money in reserve. ✓</p> <p>Deficit means that you spend more than you earn. ✓</p>	2	5																		
3.7	<p>Name two groups of people or institutions that will be interested in the Financial Statements of a business.</p> <p>Partners SARS Employees and trade unions Banks and other financial services Potential buyers Managers and senior employees Creditors and suppliers</p> <p>(any 2 options) ✓✓</p>	2	4																		
4.	<p><b>Match Column A to Column B. Write the letter from Column B, in the spaces below.</b></p> <table border="1" data-bbox="277 1413 1182 1900"> <thead> <tr> <th data-bbox="277 1413 638 1465">COLUMN A</th> <th data-bbox="638 1413 1182 1465">COLUMN B</th> </tr> </thead> <tbody> <tr> <td data-bbox="277 1465 638 1518">4.1 Assets</td> <td data-bbox="638 1465 1182 1518">a) Decrease in financial value</td> </tr> <tr> <td data-bbox="277 1518 638 1570">4.2 Liabilities</td> <td data-bbox="638 1518 1182 1570">b) Written plan on how to spend</td> </tr> <tr> <td data-bbox="277 1570 638 1623">4.3 Capital</td> <td data-bbox="638 1570 1182 1623">future income</td> </tr> <tr> <td data-bbox="277 1623 638 1675">4.4 Fixed expenses</td> <td data-bbox="638 1623 1182 1675">c) Must be paid monthly, without fail</td> </tr> <tr> <td data-bbox="277 1675 638 1728">4.5 Variable expenses</td> <td data-bbox="638 1675 1182 1728">d) Income = Expenses</td> </tr> <tr> <td data-bbox="277 1728 638 1780">4.6 Profit</td> <td data-bbox="638 1728 1182 1780">e) Items that are owned by a</td> </tr> <tr> <td data-bbox="277 1780 638 1833">4.7 Loss</td> <td data-bbox="638 1780 1182 1833">business</td> </tr> <tr> <td data-bbox="277 1833 638 1900">4.8 Break-even point</td> <td data-bbox="638 1833 1182 1900">f) Putting money aside for future use</td> </tr> </tbody> </table>	COLUMN A	COLUMN B	4.1 Assets	a) Decrease in financial value	4.2 Liabilities	b) Written plan on how to spend	4.3 Capital	future income	4.4 Fixed expenses	c) Must be paid monthly, without fail	4.5 Variable expenses	d) Income = Expenses	4.6 Profit	e) Items that are owned by a	4.7 Loss	business	4.8 Break-even point	f) Putting money aside for future use	20	2
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	<p>4.9 Budget 4.10 Savings</p> <p>g) Money owed to other people h) Costs related to the amount of products a business provides i) All the money, goods and property owned by a business j) Income - Expenses</p> <table border="1" data-bbox="315 583 1133 653"> <tr> <td>4.1</td><td>lvv</td><td>4.2</td><td>gvv</td><td>4.3</td><td>evv</td><td>4.4</td><td>cvv</td><td>4.5</td><td>hvv</td> </tr> </table> <table border="1" data-bbox="308 695 1140 764"> <tr> <td>4.6</td><td>jvv</td><td>4.7</td><td>avv</td><td>4.8</td><td>dvv</td><td>4.9</td><td>bvv</td><td>4.10</td><td>fvv</td> </tr> </table>	4.1	lvv	4.2	gvv	4.3	evv	4.4	cvv	4.5	hvv	4.6	jvv	4.7	avv	4.8	dvv	4.9	bvv	4.10	fvv		
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5.1	<p>Name the five types of Capital.</p> <p>Fixed capital or physical capital ✓ Financial capital ✓ Share capital ✓ Working capital or operating capital ✓ Start-up capital ✓</p>	5	3																				
5.2	<p>What are Current and Non-Current Assets? Give an example of each.</p> <p>Non-current assets – will not be converted into cash within the next year (accounting period).</p> <p>Examples include land and buildings, vehicles, equipment and investments. ✓</p> <p>Current assets – can be converted into cash within the next year (accounting period). ✓</p> <p>Examples include inventories, debtors and cash in the bank. ✓</p>	4	3																				

5.3	<p>What is “The Profit Motive”?</p> <p>The aim of any business is to make a profit. ✓✓</p>	2	3
5.4	<p>Are the following statements True or False?</p> <p>5.4.1 SARS need to see the Financial Statements to make sure that all VAT is paid. True✓✓</p> <p>5.4.2 Partners need to see Financial Statements to determine if their investment is profitable. True✓✓</p> <p>5.4.3 Employees and Trade Unions need to see Financial Statements to make sure the business can pay its debts. False✓✓</p> <p>5.4.4 Managers need to see Financial Statements so that they are able to solve problems that may arise. True✓✓</p>	8	2
5.5	<p>Name three different ways personal income can be earned?</p> <p>Salaries or wages Interest on bank accounts Rental from property Profits from a business</p> <p>(any 3 options) ✓✓✓</p>	3	6