



TOM NEWBY SCHOOL EXAMINATION



1

Subject	EMS	Examiner	MRS 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.		

MEMORANDUM

NO.	ANSWER	MARK	LEVEL																																								
1.1	<p>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.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="width: 30%;">Assets</th> <th style="width: 15%;"></th> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;"></th> </tr> </thead> <tbody> <tr> <td>Property</td> <td style="text-align: right; color: red;">895 000✓</td> <td>Loan from uncle</td> <td style="text-align: right; color: red;">2 000✓</td> </tr> <tr> <td>Furniture and equipment</td> <td style="text-align: right; color: red;">15 000✓</td> <td>Credit Card</td> <td style="text-align: right; color: red;">1 500✓</td> </tr> <tr> <td>Cell phone</td> <td style="text-align: right; color: red;">900✓</td> <td>Clothing</td> <td style="text-align: right; color: red;">1 200✓</td> </tr> <tr> <td>Vehicle</td> <td style="text-align: right; color: red;">12 000✓</td> <td>Vehicle</td> <td style="text-align: right; color: red;">1 900✓</td> </tr> <tr> <td>Savings account</td> <td style="text-align: right; color: red;">1 250✓</td> <td>Property</td> <td style="text-align: right; color: red;">35 000✓</td> </tr> <tr> <td></td> <td style="text-align: right; color: red;">924 150✓</td> <td></td> <td style="text-align: right; color: red;">41 600✓</td> </tr> <tr> <td>Net Worth</td> <td style="text-align: right; color: red;">924 150</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; color: red;">- 41 600</td> <td></td> <td></td> </tr> <tr> <td></td> <td style="text-align: right; color: red;">882 550✓</td> <td></td> <td></td> </tr> </tbody> </table>	Assets		Liabilities		Property	895 000✓	Loan from uncle	2 000✓	Furniture and equipment	15 000✓	Credit Card	1 500✓	Cell phone	900✓	Clothing	1 200✓	Vehicle	12 000✓	Vehicle	1 900✓	Savings account	1 250✓	Property	35 000✓		924 150✓		41 600✓	Net Worth	924 150				- 41 600				882 550✓			13	5
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1.2	<p>Do you think the TNS Bank would give you a personal loan? Give a reason for your answer.</p> <p style="color: red; margin-top: 10px;">Yes✓ Her assets are much more than her liabilities.✓</p>	2	5																																								
2.1	<p>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.</p>	11	6																																								

Zac's Art Gallery: Budget for December 2021			
Income		Expenses	
Income	25 000✓	Rent	5 500✓
Interest	750✓	Salaries	5 000✓
Bank balance	2 200✓	Water and Elec	2 100✓
		Advertising	920✓
		Stationery	2 300✓
		Wages	1 500✓
	27 950✓		17 320✓
2.2	What will his bank balance be at the end of December 2021?		2
	R27 950 - R17 320 = R10 630✓✓		5
2.3	Do you think he should buy his own shop? The cost of the loan per month will be R 10 800. Give a reason for your answer.		2
	R10800 - R5500 = R5300		5
	Yes ✓ It is only R5 300 extra and his income is much greater.✓		

3.1	<p>Match Column A to Column B. Write the letter from Column B in the table below.</p> <table border="1" data-bbox="272 281 1179 1108"> <thead> <tr> <th>Column A</th> <th>Column B</th> </tr> </thead> <tbody> <tr> <td>3.1 Financial Capital</td> <td>A. Expenses are more than the income</td> </tr> <tr> <td>3.2 Working Capital</td> <td>B. Plan of how to spend your future income</td> </tr> <tr> <td>3.3 Fixed Assets</td> <td>C. Source of money to start a business</td> </tr> <tr> <td>3.4 Current Liabilities</td> <td>D. Converting money to other denominations</td> </tr> <tr> <td>3.5 Deficit</td> <td>E. Income is more than expenses</td> </tr> <tr> <td>3.6 Budget</td> <td>F. Used to run the business from day to day</td> </tr> <tr> <td>3.7 Fixed Expenses</td> <td>G. Value of the business that belongs to the owner</td> </tr> <tr> <td>3.8 Surplus</td> <td>H. Indicates your wealth at a specific time</td> </tr> <tr> <td>3.9 Statement of Net Worth</td> <td>I. Will not be converted into cash within the next year</td> </tr> <tr> <td>3.10 Foreign Exchange</td> <td>J. Can be converted into cash within a year</td> </tr> <tr> <td></td> <td>K. Cost that must be paid every month</td> </tr> <tr> <td></td> <td>L. Short term loan</td> </tr> <tr> <td></td> <td>M. Long term costs</td> </tr> </tbody> </table> <table border="1" data-bbox="354 1129 1105 1199"> <tr> <td>3.1</td><td>C✓</td><td>3.2</td><td>F✓</td><td>3.3</td><td>I✓</td><td>3.4</td><td>L✓</td><td>3.5</td><td>A✓</td> </tr> </table> <table border="1" data-bbox="342 1230 1114 1304"> <tr> <td>3.6</td><td>B✓</td><td>3.7</td><td>K✓</td><td>3.8</td><td>E✓</td><td>3.9</td><td>H✓</td><td>3.10</td><td>D✓</td> </tr> </table>	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	C✓	3.2	F✓	3.3	I✓	3.4	L✓	3.5	A✓	3.6	B✓	3.7	K✓	3.8	E✓	3.9	H✓	3.10	D✓	10	2
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4.1	<p>State four reasons why people save money.</p> <p>To buy expensive items in the future. For a holiday or outing. For children's education. For unforeseen expenses. To invest and get a return. To put money into a pension or retirement scheme.</p> <p>(accept any 4 answers) ✓✓✓✓</p>	4	2																																																
4.2	<p>Explain how a Community Savings Scheme (Stokvel) functions.</p>	6	3																																																

	<ul style="list-style-type: none"> • They are formed by a group of people who agree to support each other to achieve some sort of goal. ✓ • The members are often neighbours, members of the same community or church. ✓ • They agree to put a set amount of money into the fund, which is often put into a savings account at a bank. ✓ • In some stokvels, the money is taken out once a year and shared amongst the members or used to buy food, which is shared by all. ✓ • In other stokvels, the members each get a turn to take the pool of money. ✓ • In some stokvels, a member can withdraw money in times of need or in order to buy household goods. ✓ 		
5.1	<p>Give a clear, concise definition of an Entrepreneur.</p> <ul style="list-style-type: none"> • Owns his/her own business. • Starts a business or buys an existing business. • Work for themselves and creates their own jobs. • Takes a calculated risk by investing money in a business opportunity to make a profit. • Can identify opportunities and has the skills to turn an opportunity into a successful venture. <p>(accept any 2 answers)✓✓</p>	2	2
5.2	<p>Name three characteristics of a successful Entrepreneur.</p> <p>Innovative Committed and dedicated Motivated and independent Energetic Risk taker Bold and courageous</p> <p>(accept any 3 answers)✓✓✓</p>	3	2
5.3	<p>Name four skills of a successful Entrepreneur.</p> <p>Communication communicate well with clients and staff.</p>	4	2

	<p>Planning knows how to prepare for future, both long term and short term.</p> <p>Marketing sell products ideas.</p> <p>Management be able to direct people to complete tasks as efficiently as possible.</p> <p>Financial be able to handle money wisely.</p> <p>(accept any 4 answers)✓✓✓✓</p>		
5.4	<p>Explain the four basic actions that all Entrepreneurs carry out in order to run their business.</p> <p>Buying✓ buying or purchasing equipment, raw materials and stock. This equipment is known as capital items. ✓</p> <p>Producing✓ making the product. taking raw materials and turning them into something also referred to as manufacturing or production. ✓</p> <p>Entrepreneurial action of selling ✓ convincing a person to buy a product or service. Selling - involves advertising and marketing the product.✓</p> <p>Entrepreneurial action of making a profit✓ The goal of owning a business is to make a profit. ✓</p>	8	4
5.5.1	<p>List five strengths that Moses has, that will help him to make his business a success.</p> <p>Handyman, welding, bricklaying, carpentry, tiling, painting, salesman, knows tools and hardware, knows the contractors, languages.</p>	5	3

	(any 5)✓✓✓✓✓		
5.5.2	List two weaknesses that Moses has. No accounting skills n Not good at administration, Not a lot of start-up capital. (any 2)✓✓	2	3
5.5.3	Name one opportunity which will be good for his business in the future. Factory being built nearby. 20 new houses or staff. (any 1)✓	1	3
6.1	Name and explain the three stages of Production. Primary stage of production <ul style="list-style-type: none"> • Natural resources are taken from the earth. • The primary sector is made up of businesses that are involved in the first stage of production. • Extract resources. The secondary stage of production process the natural resources into finished goods. The tertiary stage of production businesses that provide a service rather than make goods. Some tertiary sector businesses buy goods from manufacturers and transport or resell the goods to consumers. Examples of businesses in the tertiary sector include: shops, transport companies, doctors and banks.	6	3
6.2	What are the four factors of Production? Natural resources (land)✓ Labour ✓ Capital ✓ Entrepreneurs✓	4	2

6.3	<p>Complete the following table regarding the use of technology.</p> <p>Advantages of using technology in the production process:</p> <ul style="list-style-type: none"> • Many forms of technology can be used in the production process. • With technology, machinery can be designed to do the work of people more efficiently and effectively. • Produce more goods and services. • Improves the production of the other factors of productivity. <p>(any 3)✓✓✓</p> <p>Disadvantages of using technology in the production process:</p> <ul style="list-style-type: none"> • Costly to purchase✓ • Loss of jobs ✓ • Expensive to maintain✓ 	6	3
6.4	<p>Explain the Socio-economic challenges in the areas listed below.</p> <p>Socio-economic challenges in urban areas:</p> <ul style="list-style-type: none"> • High cost of living • Pollution • Influx of people • Traffic congestion <p>The socio-economic challenges faced by rural areas</p> <ul style="list-style-type: none"> • Socio-economic challenges in rural areas • Lack of infrastructure • Inadequate access to public services • Lack of employment opportunity 	6	4
6.5	<p>Name three strategies to create employment.</p> <p>Strategies to create employment include:</p> <p>Promoting entrepreneurship and new business Stimulating business development Encouraging manufacturing</p>	3	2

	Improving the infrastructures (any 3)✓✓✓		
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