



TOM NEWBY SCHOOL
Term 4 Formal Assessment

Subject	EMS	Examiner	MISS L KLEMP
Date	NOVEMBER 2022	Total marks	100
Grade	7	Duration	1H30
		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	D ✓✓	2	2																																
1.2	E ✓✓	2																																	
1.3	C ✓✓	2																																	
1.4	A ✓✓	2																																	
1.5	B ✓✓	2																																	
2.1	The statement of net worth is drawn up to determine the value of a person or business. ✓✓ or A statement of net worth is a list of all your assets (what you own) and your liabilities (your debts). ✓✓	2	5																																
2.2	<p style="text-align: center;">Statement of Net Worth for Cynthia Harebottle</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 25%;">Assets</th> <th style="width: 25%;"></th> <th style="width: 25%;">Liabilities</th> <th style="width: 25%;"></th> </tr> </thead> <tbody> <tr> <td>Property</td> <td>R 1 740 000✓</td> <td>Loan from cousin</td> <td>R 2 500✓</td> </tr> <tr> <td>Fixed deposit</td> <td>R 6 200✓</td> <td>Clothing accounts</td> <td>R 5 250✓</td> </tr> <tr> <td>Balance in Bank Account</td> <td>R 1 345✓</td> <td>Mortgage loan</td> <td>R 900 000✓</td> </tr> <tr> <td>Cell phone</td> <td>R 3 200✓</td> <td>Credit card debts</td> <td>R 23 000✓</td> </tr> <tr> <td>Laptop</td> <td>R 7 500✓</td> <td></td> <td></td> </tr> <tr> <td>Household furniture</td> <td>R 25 000✓</td> <td></td> <td></td> </tr> <tr> <td>Total</td> <td>R 1 783 245✓</td> <td>Total</td> <td>R 930 750✓</td> </tr> </tbody> </table>	Assets		Liabilities		Property	R 1 740 000✓	Loan from cousin	R 2 500✓	Fixed deposit	R 6 200✓	Clothing accounts	R 5 250✓	Balance in Bank Account	R 1 345✓	Mortgage loan	R 900 000✓	Cell phone	R 3 200✓	Credit card debts	R 23 000✓	Laptop	R 7 500✓			Household furniture	R 25 000✓			Total	R 1 783 245✓	Total	R 930 750✓	13	5
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	Net Worth: R 1 783 245 – R930 750 = R852 495✓																																		
3.1	A statement showing how much profit a business has made is called an income statement.✓✓	2	6																																
3.2	<p>Income Statement for Mama Pia for October</p> <table border="1"> <thead> <tr> <th>Income</th> <th>Amount</th> <th>Expenses</th> <th>Amount</th> </tr> </thead> <tbody> <tr> <td>Current Income</td> <td>R 55 000✓</td> <td>Advertising</td> <td>R 500✓</td> </tr> <tr> <td>Commission Income</td> <td>R 10 000✓</td> <td>Rent expense</td> <td>R 2 300✓</td> </tr> <tr> <td>Sales of hairdressing products</td> <td>R 3 400✓</td> <td>Wages</td> <td>R 13 000✓</td> </tr> <tr> <td></td> <td></td> <td>Telephone account</td> <td>R 750✓</td> </tr> <tr> <td></td> <td></td> <td>Water and Electricity</td> <td>R 2 500✓</td> </tr> <tr> <td></td> <td></td> <td>Hairdressing products</td> <td>R 15 000✓</td> </tr> <tr> <td>Total Income</td> <td>R 68 400✓</td> <td>Total Expenses</td> <td>R34 050✓</td> </tr> </tbody> </table>	Income	Amount	Expenses	Amount	Current Income	R 55 000✓	Advertising	R 500✓	Commission Income	R 10 000✓	Rent expense	R 2 300✓	Sales of hairdressing products	R 3 400✓	Wages	R 13 000✓			Telephone account	R 750✓			Water and Electricity	R 2 500✓			Hairdressing products	R 15 000✓	Total Income	R 68 400✓	Total Expenses	R34 050✓	11	6
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3.3	<p>Profit.✓</p> <p>The total income is more than their total expenses for the month. ✓</p>	2	6																																
4.1	A transaction is a financial action or event that takes place in a business. ✓✓	2	3																																
4.2	<p>Cash transaction (cash receipts and cash payments) ✓</p> <p>Credit transactions (credit purchases and credit sales) ✓</p>	2	3																																
4.3	Transactions are recorded in the journals and ledgers of a business✓✓	2	4																																

4.4	<p>To ensure the effective daily running of the business.</p> <p>To work out if the business has made a profit or a loss.</p> <p>To plan for a future.</p> <p>To work out how much money is owed to other parties.</p> <p>(any 2 options) √√</p>	2	4
4.5	<p>Financial statements are prepared to communicate the financial results of the business to interested parties. √√</p>	2	4
5.1	<p>Entrepreneur √√</p>	2	2
5.2	<p>Creatively √√</p>	2	
5.3	<p>Planning √√</p>	2	
5.4	<p>Customers √√</p>	2	
5.5	<p>Goals √√</p>	2	
6.1	<p>Entrepreneurs have many different characteristics of which a few have been defined below:</p> <p>Innovative – Entrepreneurs need to be able to think in a fresh way, have exciting ideas and solve problems creatively.</p> <p>Committed and dedicated – Entrepreneurs need to focus on their work so their business succeeds.</p> <p>Motivated and independent – Entrepreneurs need to be self-starters and make their own decisions.</p> <p>Energetic – Entrepreneurs must have the energy to work hard for long hours.</p> <p>Risk taking – Entrepreneurs need to be prepared to take calculated risks or they will not expand their businesses and move forward.</p>	3	3

	<p>Bold and courageous – Entrepreneurs need to see the problems they will encounter as challenges, not obstacles.</p> <p>(any 3 options) ✓✓✓</p>		
6.2	<p>Strengths – consider what skills you have that could be used to make a successful product. ✓</p> <p>Weakness – the things we do not do well are our weaknesses. ✓</p> <p>Opportunities – helps our business flourish. ✓</p> <p>Threats – factors that may harm your business. ✓</p>	4	4
6.3	<p>Buy/buying ✓</p> <p>Sell/selling ✓</p> <p>Produce/producing ✓</p> <p>Make a profit ✓</p>	4	3
6.4	<p>Attention ✓</p> <p>Interest ✓</p> <p>Desire ✓</p> <p>Action ✓</p>	4	3
7.1	True ✓✓	10	1
7.2	True ✓✓		
7.3	False ✓✓		
7.4	False ✓✓		
7.5	True ✓✓		
8.1	<p>Natural resources ✓</p> <p>Labour ✓</p> <p>Capital ✓</p> <p>Entrepreneurs ✓</p>	4	3
8.2	<p>To buy expensive items in the future.</p> <p>For a holiday or outing.</p> <p>For children's education.</p>	2	3

	<p>For unforeseen expenses. To make more money. To put money into a pension or retirement scheme.</p> <p>(any 2 options) ✓✓</p>		
8.3	<p>Primary stage of Production ✓ Natural resources are taken from the earth. Extraction of resources. ✓</p> <p>The Secondary stage of Production ✓ Processing of the natural resources into finished goods. ✓</p> <p>The Tertiary stage of Production ✓ Businesses that provide a service rather than make goods. Some tertiary sector businesses buy goods from manufactures and transport or resell the goods to consumers. ✓</p>	6	4
8.4	<p>The word technology is used to describe machinery, equipment or tools developed with scientific knowledge. ✓</p>	1	4
8.5	<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 2 options) ✓✓</p>	2	3