



TOM NEWBY SCHOOL
Term 4 Formal Assessment



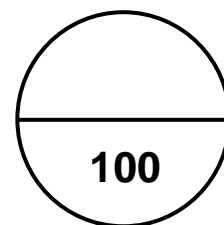
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Subject	EMS	Examiner	MS L KLEMP
Date	NOVEMBER 2022	Total marks	100
Grade	7	Duration	1 hour 30 mins
		Moderator	MRS A SINGH
Special instructions/ Equipment	Learners are allowed to use a calculator, but no borrowing is allowed.		
<small>This assessment 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	TOPIC	MARKS
SECTION A	Financial Literacy	50
Question 1		10
Question 2		15
Question 3		15
Question 4		10
SECTION B	Entrepreneurship	25
Question 5		10
Question 6		15
SECTION C	The Economy	25
Question 7		10
Question 8		15
TOTAL		100

SECTION A: FINANCIAL LITERATURE (50 MARKS)

Question 1

Match the term in Column A to the definition in Column B. Write the letter from Column B, in the spaces below. (10)

COLUMN A	COLUMN B
1.1 Debtor	A. All the money, goods and property a business can use to make an income.
1.2 Profit	B. A written plan on how to spend future income.
1.3 Savings	C. The act of putting money aside for future use.
1.4 Capital	D. A customer that owes money to the business.
1.5 Budget	E. The money a business makes after taking all the income and deducting all the expenses.

1.1		1.2		1.3		1.4		1.5	
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Question 2

2.1 Why does a business draw up a *Statement of Net Worth*? (2)

2.2 The Bank has asked Cynthia Harebottle for a Statement of Net Worth to assess if she qualifies for a personal loan. Cynthia gives you the following information and asks you to prepare her Statement of Net Worth. (13)

Property	R 1 740 000
Loan from cousin	R 2 500
Fixed deposit	R 6 200
Balance in Bank Account	R 1 345
Clothing accounts	R 5 250
Mortgage loan	R 900 000
Value of her:	
Cell phone	R 3 200
Laptop	R 7 500
Credit card debts	R 23 000
Household furniture	R 25 000

Statement of Net Worth for Cynthia Harebottle

Assets		Liabilities	
Total		Total	

Net Worth: _____

Question 3

3.1 What is an income statement? (2)

3.2 Mama Pia owns a hairdressing business. You are provided with a list of income and expense which you must use to prepare the Income statement for Mama Pia's Business for October. (11)

Here is a list of Mama Pia's Income and Expenses.

Current Income	R 55 000
Advertising	R 500
Commission Income	R 10 000
Rent expense	R 2 300
Wages	R 13 000
Sales of hairdressing products	R 3 400
Telephone account	R 750
Water and Electricity	R 2 500
Hairdressing products	R 15 000

Income Statement for Mama Pia for October

Income	Amount	Expenses	Amount
Total Income		Total Expenses	

3.3 Has Mama Pia's business made a profit or loss for October? Give a reason for your answer. (2)

Question 4

4.1 What is a transaction? (2)

4.2 List two types of transactions. (2)

4.3 Where does a business record their transactions? (2)

4.4 Why must financial transactions be recorded? (2)

4.5 Why must a company prepare financial statements? (2)

TOTAL SECTION A = 50 MARKS

6.3 List the four actions that an entrepreneur must perform. (4)

6.4 Name the four criteria in the AIDA Principal. (4)

TOTAL SECTION B = 25 MARKS

SECTION C: THE ECONOMY (25 MARKS)

Question 7 (10)

Answer True or False to each sentence below.

7.1 Traditional societies were self-sufficient.

7.2 A promissory note is a written and signed promise to pay a sum of money.

7.3 Free goods are those goods that have a limited supply.

7.4 Primary sector businesses use raw materials to manufacture goods.

7.5 If we recycle, we use less of the resources (raw materials) we get from earth.

Question 8

8.1 Name the four groups of factors of production. (4)

8.2 Give two reasons why people save money. (2)

8.3 Name and explain the three stages of production. (6)

8.4 What is technology? (1)

8.5 List two advantages of using technology in the production process. (2)

TOTAL SECTION C = 25 MARKS

GRAND TOTAL = 100 MARKS

Grade 7 EMS
Term 4 Formal Assessment
Performance Analysis
 (For teacher use only)

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

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

Section B: Entrepreneurship	Q5	Q6
Possible Mark	10	15
Learner Mark		

Section C: The Economy	Q7	Q8
Possible Mark	10	15
Learner Mark		