

GRADE 7 - ECONOMIC & MANAGEMENT SCIENCE - MEMO

Question One

1. True
2. True
3. True
4. False
5. False

Question Two

1. D - Expenses
2. E - Transactions
3. A - Income tax
4. B - Budget
5. C - Income

Question Three

- 3.1 Free goods – these are goods that are available in unlimited quantities eg. Sunlight, air, etc.
Economic goods – these are available in limited quantities and if we want them we must be prepared to pay for them eg. Clothes, toys, etc.
- 3.2 Electronic banking – is also known as electronic funds transfer (EFT) and can replace paper money transactions. EFT's include other services apart from use of ATM
- 3.3 - Buying, selling and banking can be done 24 hours a day – increases efficiency.
- More choice in products and services.
 - Saves on travelling costs and time.
 - Cost of operation is lower for banks.
 - Consumers and producers / service providers don't have to be in the same place.
- } ANY 2

Question Four

- 4.1 Primary needs – these refer to basic survival needs eg. Food, shelter, clothing, etc
Secondary needs – these are your needs to feel safe , happy, loved, etc. Some secondary needs include sport, recreation, entertainment, etc.
- 4.2 Secondary needs involve more goods and services that are required by a person. This involves more costs.
- 4.3 Open-ended : learners answers will vary
eg. Sports fields, places of worship, swimming pools, etc
- 4.4 Have a Jojo tank – collect rain water
Don't hose gardens / cars etc
Reuse water – for washing cars or in gardens
Don't have long showers
- } ANY 2 suitable answers from learners.

4.5 Service or Good

hospital - service
policeman - service

clothing store - goods
hair salon - service

restaurant - service
florist - goods

Question five

5.1 PROFIT - this refers to the amount of money that a business has after paying all its expenses.
This means that the income exceeds the expenses.

LOSS - If a business runs at a loss it means that its expenses are more than its income.

5.2 Fixed asset - vehicle

Long term liabilities - Mortgage

Income - Rent income

Current asset - Trade stock

Current liabilities - Overdraft

Expenses - Fuel

5.3 CASH BUDGET FOR MANDLA TRADERS on 1 June 2016

<u>INCOME</u>		
Money in the bank	R9 600	
Sales	R48 000	
Income for Shoe Repairs	R5 300	
<u>TOTAL INCOME</u>	R62 900	
<u>EXPENSES</u>		
Rent		R23 500
Purchase of Stock		R20 400
Water / Electricity		R 4 300
Sundry Expenses		R 3 800
<u>TOTAL EXPENSES</u>		R52 000
SURPLUS	R 10 900	