



EMS- Mock Exam

Grade 7

Instructions:

1. Answer all the questions.
2. Number your answers as per the question paper.
3. Skip a line between answers.
4. Do NOT answer on the question paper.
5. Answer all questions on lined paper.
6. Show calculations where possible.

Section	Possible Marks	Student's Marks
A: Short Questions	10	
B: The Economy	30	
C: Financial Literacy	60	
Total	100	

Section A: Short Questions

Question 1- match the column

Match the term from column A to the definition in column B and write your answers in the blocks provided. (5)

Column A: Terms	Column B: Definitions
1.1 Consumers	A. Financial action that takes place between two parties.
1.2 Transactions	B. The different levels of human needs, arranged in a pyramid.
1.3 Durable goods	C. People and/or businesses that buy and use goods.
1.4 Maslow's Hierarchy	D. Partial payments towards a larger owed sum of money
1.5 Instalments	E. An item or product that will last longer than one year.

1.1	1.2	1.3	1.4	1.5
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Question 2- fill in the missing word

Fill in the missing word(s) to complete the sentences provided below: (5)

2.1 The _____ refers to limited resources and unlimited wants or desires.

2.2 Recycling reduces _____.

2.3 Income – expenses = _____.

2.4 How quickly an asset can be converted to cash is referred to as _____.

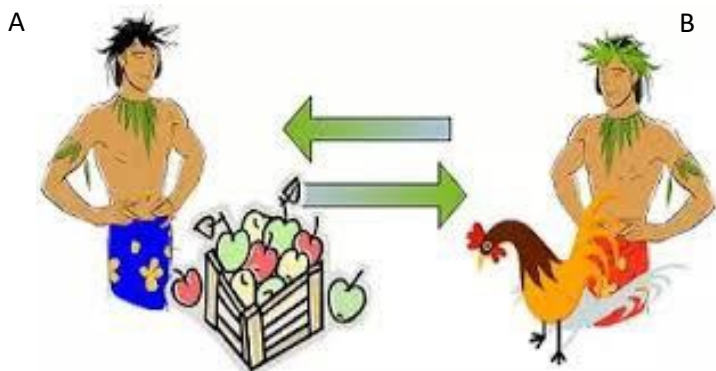
2.5 A _____ is defined as an estimate of future income and expenses.

Subtotal for Section A: 10

Section B: The Economy

Question 1- The history of money

1.1 Look closely at the pictures provided.



1.1.1 Briefly describe the method of payment each picture represents. (2)

1.1.2 List two advantages and two disadvantages for each method of payment represented. (4x2=8)

1.2 List the three roles of money. (3)

Question 2- Needs and Wants, Goods and services

2.1 Read the case study below and answer the questions that follow:

Sethu's Day

Sethu began his day by waking up at 4am. Sethu ensured that he had hot water to bath, he made use of a solar panel on the roof of his house. Then, he continued getting ready for the day ahead. Sethu always wore a well-tailored suit and freshly polished shoes. Once changed, Sethu would cook oatmeal porridge for his family, using a stainless steel pot on his gas cooker. Sethu would pack his children's lunches, then he would wake his wife. Sethu had established a wonderfully loving home. Sethu was an entrepreneur. He had been a pioneer in the development of on-line learning and teaching. He was lucky enough to have a home-office. The problems Sethu faced were numerous- limited internet connectivity, load-shedding and unreliable staff- to name a few. Sethu wanted nothing more than to solve these issues. However, every day Sethu was grateful for all his blessings- a roof over his head, clothes on his back, food in his tummy, a home on land he owned and a loving family.

2.1.1 Critically explain, with the use of examples, the difference between a "need" and a "want". (4)

2.1.2 Briefly explain what is meant by the term "limited resource". Justify your explanation by providing three examples of limited resources from the case study. (4)

2.1.3 Compare and contrast man-made and natural resources. Explain your answer by giving an example of a man-made resource and a natural resource. (4)

2.1.4 Define a renewable resource. (1)

2.2.1 What service does Sethu provide. Quote to substantiate your answer. (2)

2.2.2 Critically evaluate Sethu's ability to provide his service. Explain your answer. (2)

Subtotal for Section B: 30

Section C: Financial Literacy

Question 1- Short Questions

1.1 Define the following terms **and** provide an example of your own to demonstrate your understanding: (10)

1.1.1 Asset

1.1.2 Liability

1.1.3 Expenses

1.1.4 Capital

1.1.5 Resources

Question 2- Case Studies

2.1. Study the information provided below and answer the questions that follow:

Billy and Bob's food stall had the following information in their financial record for the month. Use the information below to answer the following questions on the answer sheet provided (All amounts provided are in Rands).

Advertising	55	Loan	2000
Bank	2000	Material costs	250
Capital	5000	Rent expense	100
Sales	5500	Stationery	30
Water and electricity	57	Equipment	12000

2.1.1 Name one asset that the business has. (1)

2.1.2 Calculate the total value of the business's assets (2)

2.1.3 Does the business have any liabilities? (1)

2.1.4 How much is the business' liability (1)

2.1.5 Make a list of the business' expenses (5)

2.2 Pamela owns a little kiosk store. Work out the mark up on each product from the table of information provided. Show your calculations. (5)

Item	Total cost	Selling Price	Mark up
Biscuits	R 91,56	R94,54	2.2.1
Hats	R 5,57	R 29,53	2.2.2
Bracelets	R 32,90	R 54,84	2.2.3
Drinks	R 2,21	R 5,14	2.2.4
Deliveries	R 5,90	R37,43	2.2.5

2.3 Refer to the case study provided below and answer the questions that follow:

Beth is a single mother with two children. Beth is a personal assistant at a primary school, and she tries to supplement the household income by sewing part time. She owns a sewing machine and she has the necessary tools and skill with which to sew.

Beth is mindful of how she spends her money and tries to save as much as possible, in order to earn interest. Beth was fortunate to inherit a family member's apartment. She has been renting out this apartment to further supplement her income.

Below is a list of all Beth's income and expenses for June:

Beth's salary	R 24 000	Entertainment	R 2 460
Cell phone bills	R 2 640	Clothing	R 800
Membership for gym	R 1 560	Interest earned	R 1 120
Unbudgeted expenses	R 1 000	Food and household needs	R 5 000
Income from dressmaking	R 3 000	Rent from the apartment	R13 500
Rent paid	R 6 700	Transport costs	R 5 000
School fees	R 7 000	Water and Electricity	R 2 900
Insurance	R 1 200	Medical expenses	R 3 200
Telephone and Internet costs	R 1 540	Bank charges	R 300

2.3.1 What is Beth's total income for June? Show your calculations. (2)

2.3.2 What are Beth's total expenses for June? Show your calculations. (2)

2.3.3 Critically evaluate, with use of a calculation, whether Beth earns enough to cover her expenses in June. (2)

2.3.4 Name the two types of income a person can earn and provide an example of each type of income from the case study. (4)

2.3.5 Provide an example of capital from the case study and state the type of capital of the example provided. (2)

2.3.6 Critically analyse the way in which Beth spends her money, and state whether there are any unnecessary costs. Explain your answer. (2)

2.3.7 What tool or plan can Beth use to forecast her income and expenses for July? (1)

2.4 Study Sarah's personal budget for the month, then answer the questions that follow on the answersheet provided (all amounts provided are in Rands)

Income	Amount	Expenses	Amount
Salary (After tax)	10 890	Rent	2 100
Weekend job	500	Electricity	310
Total	2.4.2	Food	1 780
		Car repayments and petrol	4 020
		Stationery	560
		Entertainment	600
		Clothing	500
		Domestic help	350
		Morning coffee	500
		Total	2.4.3

- 2.4.1 Define a budget. (1)
- 2.4.2 Calculate Sarah's total income. (1)
- 2.4.3 Calculate Sarah's total expenses. (1)
- 2.4.4 Is Sarah spending more or less than she earns? (1)
- 2.4.5 Provide two suggestions that would help Sarah better manage her money. (2)
- 2.4.6 What is domestic help? (1)
- 2.4.7 What are repayments? Provide an alternative term used for repayments. (2)
- 2.4.8 Provide a reason as to why one should budget. (1)

2.5 Use the information provided by Trevor, to help him calculate his net worth:

Savings account: R 670
Watch: R 230
Clothes R3 000
Money owed to dad: R1 550
Play station and games: R5450
Laptop: R6 000
Hockey stick collection: R850

2.5.1 Categorise the abovementioned items into the following table of assets and liabilities (7)

ASSETS		LIABILITIES	

- 2.5.2 Calculate the total assets and total liabilities. (2)
- 2.5.3 Calculate Trevor's net worth. (1)

Subtotal for Section C: 60
Grand Total for the Exam: 100