

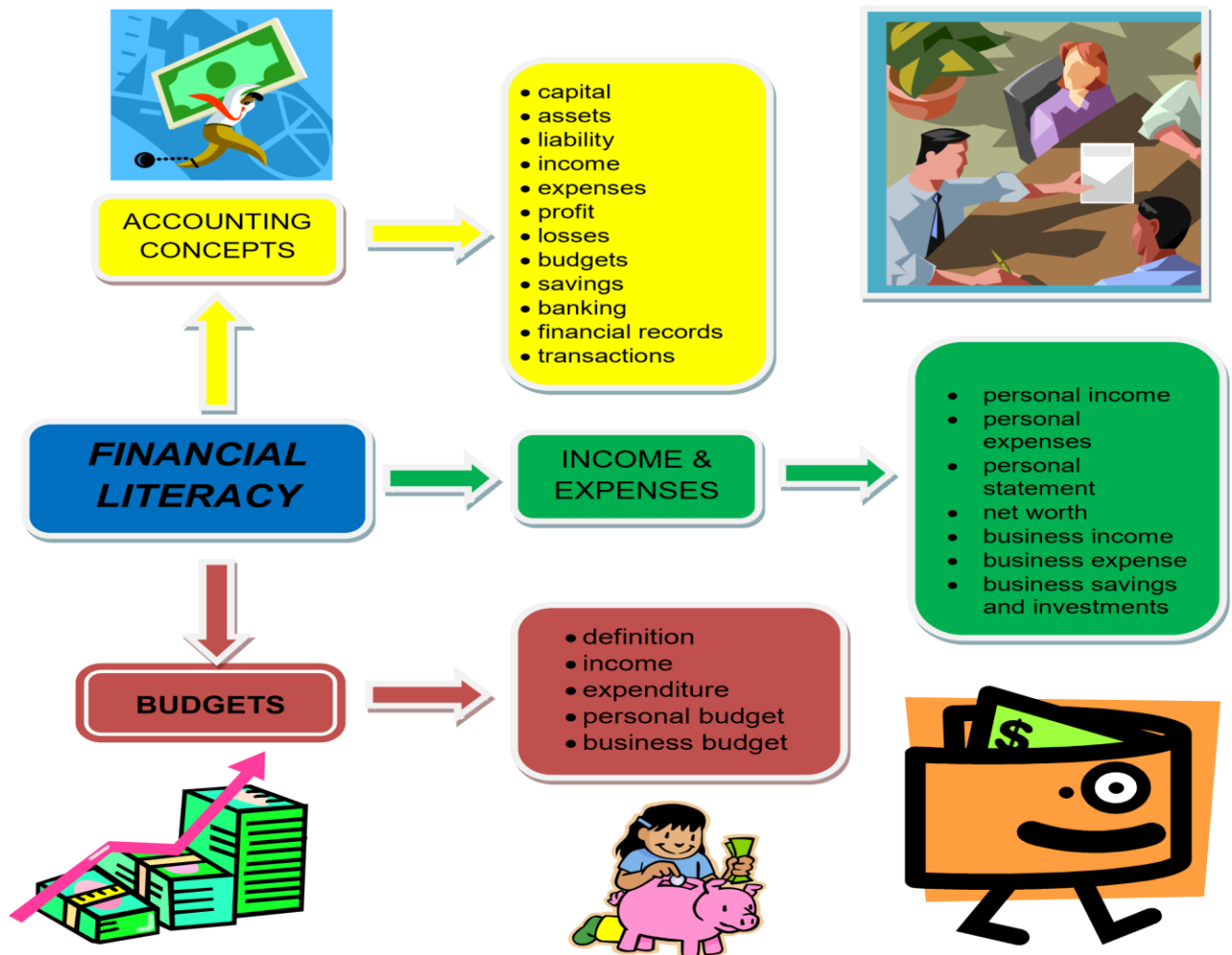


*Nageng primary school*  
**ECONOMIC MANAGEMENT SCIENCES**  
**TERM 2**  
**FINANCIAL LITERACY**  
**GRADE 7\_\_**

**NAME:** \_\_\_\_\_

**PARENTS CONTACT:** \_\_\_\_\_

want to manage your personal finance, saving and investments effectively.



[Website; nageng.weebly.com](http://nageng.weebly.com) > academics > ems grade 7

**2020**  
**EDUCATOR: MR. MAKGATHO**

**TABLE OF CONTENT**

<b>PAGES</b>	<b>TOPIC</b>	<b>ACTIVIES</b>
—	<b>REVISION TERM 1</b>	<b>4</b>
<b>3 - 10</b>	<b>ACCOUNTING CONCEPTS</b>	<b>15</b>
<b>11 - 21</b>	<b>INCOME AND EXPENSES</b>	<b>10</b>
<b>22- 27</b>	<b>BUDGETS</b>	<b>6</b>
—	<b>RIVISION</b>	<b>4</b>

**TERM 2 - FORMAL ASSESSMENT**

<b>FORM OF ASSESSMENT</b>	<b>TOTAL MARKS</b>	<b>DATE AND TEST SCOPE</b>
<b>Mid-year Exam</b>	<b>100</b>	<b>23 JUNE</b> TERM 1 WORK, (ACCOUNTING CONSPETS AND INCOME AND EXPENSE)

**Activity 1**

**Week 1**

1. Explain what the term 'Capital' means. \_\_\_\_\_  
\_\_\_\_\_
2. In your excise books Paste 5 different pictures of capital and explain how can each used to start a business

**Activity 2**

**Week 1**

1. Explain what the term Asset means. \_\_\_\_\_  
\_\_\_\_\_
2. Mention two types of asset and explain them
  1. \_\_\_\_\_
  2. \_\_\_\_\_

**HOME WORK.**

**Week 1**

1. In your excise paste 5 different pictures of assets and explain how the business use them

**Activity 3**

**Week 2**

**Calculating assets**

David is a Grade 7 learner. He would like to draw up a list to see how wealthy he is. He has looked around his bedroom to decide what belongs to him. His parents told him that certain assets are his, such as his bed, table and chair. He also owns other things, or assets, which were either birthday presents or items bought with his pocket money. These are the items he now has in his possession:

**Furniture in his room:** R 2 300    **Smart Phone:** R550

**Cash in his wallet:** R50    **Clothes:** R3 000    **Toys:** R600

**Savings account:** R625

Two neighbours in his street **owe him** R60 each for sweeping their yards.

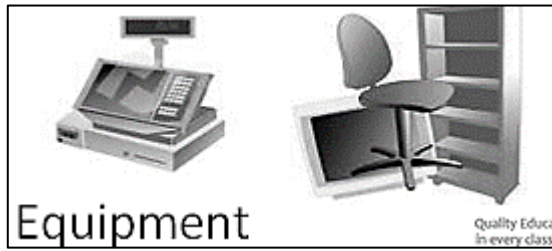
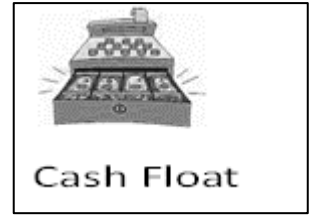
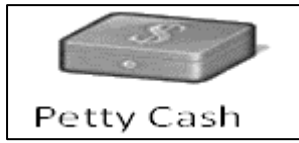
**a) Prepare a list to calculate David's total assets.**

- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_
- \_\_\_\_\_

**Activity 4**

**Week 2**

1. Place the following types of assets under the correct column in the table below.



Financial assets:  
fixed deposit or  
investment



Fixed assets	Current assets

**Activity 5****Week 2**

1. Explain what the term liability means. \_\_\_\_\_

---



---

2. Mention two types of liabilities and explain them

1. \_\_\_\_\_

2. \_\_\_\_\_

---

**Activity 6****Week 2****April 2017**

Calculating liabilities:

1. Carefully read the statements below and classify each item as either a current liability or a non-current liability
  - a. He borrowed R20 from his sister to buy airtime. He owes his father R35, which he has to pay back by the end of the month.
  - b. He borrowed R2 400 from his uncle to buy his bicycle. David pays his uncle back R100 per month over two years.

Current Liability	Non-current liability

2. Are the following assets or liabilities? Complete your answer in a table.

**A building, a telephone account, a telephone, rental for a storeroom, money in a savings account.**

Assets	Liabilities

**Home work****Week 2**

1. Discuss with your parents about liabilities they have then classify them under the table below, decide if they fall under non-current or current liability. (Remember parents have different liabilities so I do not expect to see same answers as your classmates)

Non- current liabilities	Current liabilities
1.	1.
2.	2.

**Activity 7****Week 2**

Indicate whether the following statements are **TRUE** or **FALSE**.

NO.	Statement	True or False
1	Clothes, shoes and books are part of your asset	
2	Money other people owe you is called liability	
3	Capital is only the money that the owner used to start the business.	
4	Non-current means over or more than one year	
5	The house that is paid for 20 years is an example of current liability	
6	Vehicle is another name business cars	
7	Money in the bank is a current asset	
8	Liabilities are the belongings of a business	
9	If your brother use your fathers abended car to transport kids to school the car is his capital	
10	Trading stock is the assets that won't be sold, they stay in the store	

**Activity 8****Week 2**

1. Explain difference between income and expense \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
2. Name three ways in which one can make income
  - a) \_\_\_\_\_
  - b) \_\_\_\_\_
  - c) \_\_\_\_\_
3. List three examples of expenses
  1. \_\_\_\_\_
  2. \_\_\_\_\_
  3. \_\_\_\_\_

**Activity 8****Week 3**

4. Calculate profit or loss in the third column. State in the fourth column Whether the difference is a profit or loss.

Nr	Income	Expenses	Difference	Profit or loss
E.g.	R300	R100	R200	Profit
<b>1</b>	<b>R10 200</b>	<b>R6 400</b>		
<b>2</b>	<b>R5 200</b>	<b>R7 800</b>		
<b>3</b>	<b>R124 200</b>	<b>R100 300</b>		
<b>4</b>	<b>R23 400</b>	<b>R30 000</b>		
<b>5</b>	<b>R46 200</b>	<b>R18 200</b>		

**Activity 10****Week 3**

- Speedy Electricians do electrical work in the community. Their services for the year brought an income of R98 400.
- The business paid out R67 500 for material costs, R5 200 for telephone and R10 200 for other expenses.

Calculate if the business made a profit or loss

Income	Expenses
R	R
<b>R</b>	<b>R</b>
<b>R</b>	<b>R</b>
<b>R</b>	<b>R</b>

**Activity 11****Week 3**

Fill in the missing words using the words listed below.

income      capital      current assets      expense  
 Long-term or non-current liability      assets      debt      fixed assets  
 current liability

1. \_\_\_\_\_ are loans which are payable over a number of years.
2. Goods that we own are called our \_\_\_\_\_.
3. \_\_\_\_\_ is the money the business earns.
4. Money that is owed to creditors is a \_\_\_\_\_ for the business.
5. When money is spent on wages, it is an \_\_\_\_\_ for the business.
6. The money the owner uses to start a business is called \_\_\_\_\_.
7. Vehicles and equipment are examples of \_\_\_\_\_.
8. \_\_\_\_\_ are only temporary of nature and can be converted into cash quite easily, usually within a short period of time.
9. A loss can be described as a loss of money or a decrease in \_\_\_\_\_.

**Activity 12****Week 3**

Use the Word Bank to answer the following questions:

WORD BANK:		
<b>Assets</b>	<b>Cash float</b>	<b>Mortgage bond</b>
<b>Capital</b>	<b>Bank overdraft</b>	<b>Vehicle</b>
<b>Debtor</b>	<b>Creditor</b>	

1. Possessions of the business. \_\_\_\_\_
2. Money that the owner needs to start a business. \_\_\_\_\_
3. People that buys on credit from the business, are called \_\_\_\_\_
4. \_\_\_\_\_ is an enterprise to whom the business owes money
5. Example of a fixed asset \_\_\_\_\_
6. Example of a long-term liability \_\_\_\_\_
7. A type of loan from the bank where the bank allows you to draw more money than you have in the bank. \_\_\_\_\_
8. Small amounts of money that the business keeps in the cash register to give change to customers. \_\_\_\_\_



**Activity 13****Week 3**

- 1. Instruction:** Use the information below to complete the table to show the total assets, liabilities, equity, income and expenses. Use only amounts.

Owner, T. Limekhaya, started a small photographic business in a shack at the back of his house. He deposited R25 000 in the current account of the business. He bought photographic equipment and paid by cheque, R10 000. He also borrowed R10 000 from ABSA bank to renovate the shack. He rented out an extra room in the shack to a friend and at the end of the month he received the rent for the room R500 and he received R2 500 for photos he developed for customers. His monthly expenses included Water and electricity R300, Telephone R250, Stationery R150, Processing of photos R600 and Transport R300.

	<b>Assets</b>	<b>Liabilities</b>	<b>Capital</b>	<b>Income</b>	<b>Expenses</b>
<b>Total:</b>					

- 2. Instruction:** Using the information in no. 1 above, determine the following:  
Profit or loss he made at the end of the month.

---



---



---



---



**Activity 15****Week 3****WORD SEARCH**

Complete the following word search. Note answers can only be circled, diagonally, vertically and horizontally. Use the questions below to complete the word search

L	A	T	I	P	A	C	O	S	T	I	N	G	B	D	E
I	N	C	O	M	E	A	B	D	E	O	N	A	C	U	I
A	I	D	B	M	X	N	G	A	I	Q	C	D	E	N	S
B	J	O	S	U	P	U	N	T	G	I	T	S	N	O	L
I	B	U	L	S	E	N	C	E	Z	B	R	K	A	B	U
L	A	B	I	L	N	A	D	J	T	B	I	G	D	K	G
I	N	T	A	S	S	E	T	S	O	W	O	A	F	Z	B
T	K	S	J	N	E	P	I	K	T	A	O	S	O	R	N
I	S	U	A	O	S	A	V	I	N	G	S	R	N	E	I
E	B	R	A	Z	E	I	O	P	J	E	N	E	T	T	Y
S	T	R	P	K	D	J	T	N	B	S	G	H	A	H	C

1. The start-up money for a business is called? \_\_\_\_\_
2. A \_\_\_\_\_ is any action (buying and selling) where money is involved.
3. The money you spend to buy goods and services provided by someone else.  
\_\_\_\_\_
4. The payment you receive for selling goods and services, providing services or investing your money. \_\_\_\_\_
5. A person's financial value at any given point. \_\_\_\_\_
6. Money that is left over after all the expenses have been paid. \_\_\_\_\_
7. Everything that belongs to a business is called \_\_\_\_\_.
8. Personal income is an individual's total annual earnings from all sources such as \_\_\_\_\_.
9. The debts that a person or business has to pay. \_\_\_\_\_
10. \_\_\_\_\_ provide essential services to individuals and businesses.

**Activity 1**

**Week 4**

Explain the difference between personal income and expense

---

---

---

**Personal income and personal expenses**

Write down your family's or your own personal income and personal expenses.

**Income**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**Expense**

1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
4. \_\_\_\_\_
5. \_\_\_\_\_

**Activity 3****Week 4****Types of personal income**

Complete the column by identifying the type of personal income.

Nr	Description	Type of personal income
2.1	A teacher gets R15 000 per month	
2.2	A domestic worker earns R800 per week	
2.3	Your grandmother receives R1 460 per month from the government	
2.4	A street hawker receives R300 for selling fruits at the street corner	
2.5	Your mother bakes cookies and sell it to the local community	
2.6	Your parents renting out the outside room of the house for R500 per month	
2.7	A sales representative earns R500 on every vacuum cleaner they sell	
2.8	Your father receives R2 000 at the end of the financial year from a company where he has shares	
2.9	Your aunt receives R1 500 as an income for investing money at a bank	
2.10	Your gardener receives R150 per week for working in the garden every Saturday	

**Activity 4****Week 4**

1. Explain differences between a salary and a wage.

\_\_\_\_\_

\_\_\_\_\_

2. List 5 types expenses that the business have

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Explain the what is savings and give 3 reasons for savings

\_\_\_\_\_

\_\_\_\_\_

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. In your opinion, do you think saving is important and why?

\_\_\_\_\_

\_\_\_\_\_

**Activity 5**

**Week 4**

1. Define investment \_\_\_\_\_
2. Read the short scenario and answer the questions that following

Mpho wants invest his R500 pocket money that he saved. His mother promised that if he invest with her, his money will grow with 12% after a year while his father also convinced Mpho to invest with him and his money will grow every month with 2% if he invest for a year.

3. Compare both investments by showing your calculations and recommend the best investment option for Mpho. (3)

Mother investment option	Father investment option
Recommend which one is the best option: _____	

4. In your opinion, which one you think is more important between savings and investment, and why?

---

---

**Activity 6****Week 4**  
**Business income and expense****The Khan family's income and expenses**

Mohammed Khan and his wife, Mariam, have two children: a boy called Ahmed in Grade 6 and a daughter Fatima in Grade 7. Mohammed runs his own computer repair business and Mariam is a teacher. Mohammed is wise with his money and has managed to save some of his money in a bank account and earns interest. Mariam has inherited her grand fathers flat which she rents out. The family have living expenses that they need to pay each month. Below is a list of all the income and expenses that the Khan family had in March this year.



Mariams' salary	R12 000	Cell phone bills	R 1 340
Entertainment	R 1 230	Clothing	R 400
Extra-mural expenses	R 780	General expenses	R 500
Interest on savings account	R 560	Groceries	R 6 500
Money from computer business	R23 000	Telephone cost	R 770
Rent from flat	R 2 500	Transport and petrol cost	R 2 500
Rent paid	R 6 700	Insurance	R 600
School fees	R 3 500	Medical costs	R 1 600
Water and electricity	R 1 450	Bank charges	R 150

1. Calculate the family's total income for March.

---



---

2. Calculate the family's total expenses for March.

---



---

Does the Khan family have enough income to cover their expenses for the month?  
Show your calculation to support your answer.

---



---

In your opinion, are there any expenses that should be:

- Increased
- Decreased
- Removed

3. Write a paragraph to explain how the Khan family could increase their monthly income. What suggestions could you make to the family?

---



---



---

**Activity 7**

**Week 5**

**May 2017**

1. Define the terms assets and liabilities.

---



---



---

2. Use the following list, supplied by Mr David Jones, to help him calculate his net worth

Savings account R850
Clothes, R3000
Watch, R275
Soccer boots, R440
Soccer ball, R145
Play station and games, R5450
Hi-Fi set, R2000
CD's, R300
Money owed to the Hi-Fi supplier, R1200
Loan from his father, R850

- 1) Categorize the list above into assets and liabilities. Copy the table into your workbooks.

Assets	R	Liabilities	R

- 2) Calculate the total assets and total liabilities.

---



---

- 3) Calculate net worth: Assets – Liabilities = Net Worth

---



---



**Activity 8****Week 5**

Use the following information to draw up a statement showing the net worth of Valhalla Hardware.

Valhalla Hardware has the following assets.

Motor vehicle	R 180 000
Buildings	R 200 000
Equipment	R 45 000
Electric switches	R 60 000
Transformers	R 24 000
Gas Heaters	R 15 000
Grinders	R 12 000

Valhalla Hardware has borrowed R 190 000 from Nedbank and he owes Bosch R10 000.

<b>Assets:</b>	<b>R</b>
<b>Total Assets</b>	
Motor vehicle	
Buildings	
Equipment	
Electric switches	
Transformers	
Gas Heaters	
Grinders	
<b>Liabilities:</b>	
<b>Total Liabilities</b>	
Bank Loan: Nedbank	
Bosch	
<b>Net Worth</b>	

**Activity 9****Week 6**

Use the first template to prepare Rebecca's statement of net-worth and second one for Xoliwe

**Drawing up a Statement of Net Worth**

Look at the following information and use it to draw up a Statement of net worth. Copy the table into your workbook and fill in the information under the correct headings.

Complete the calculations for each person.

a) Rebecca Gilmore has supplied the following information and wants you to prepare her statement of net worth.

Cell phone – R1500  
 Loan from a bank - R20 000  
 Money in the bank – R4700  
 Credit Card – R1350  
 Account at a clothing shop – R650  
 Car – R130 000  
 Furniture – R46 500

b) Xoliwe Gwagwa supplied you with the following information and asked you to draw up his statement of net worth. Copy the table to complete.

Property – R1 500 000  
 Loan from bank – R980 000  
 Clothing accounts = R4 500  
 Car - R75 000  
 Furniture – R12 300  
 Credit cards - R30 500  
 Savings account – R4 000  
 Money in the bank – R1 670  
 Cell phone – R2 100  
 Computer – R12 400  
 Loan to his brother – R 2 000

Rebecca Gilmore Statement of Net Worth	
<b>ASSETS</b>	
<b>TOTAL ASSETS</b>	
<b>LIABILITIES / DEBTS</b>	
<b>TOTAL LIABILITIES / DEBT</b>	
<b>NET WORTH</b>	
<b>(ASSETS - DEBTS)</b>	

**Activity 9****Week 6**

Here is a list of all her income and expenses.

Current income	R24 500
Advertising	R 600
Commission income	R 590
Rent paid	R 2 500
Materials to provide this service	R 6 790
Salaries and wages	R 4 500
Sales of shampoos	R 3 500
Cost of shampoos sold	R 2 000
Telephone	R 860
Bank charges	R 100
Stationary	R 200

Do you think that Alexis will be happy with the way her business is going and give your reason

\_\_\_\_\_

\_\_\_\_\_

a) How much income did she make from selling shampoos?

\_\_\_\_\_

b) Give Alexis **two** suggestions on how she could increase her profit in her business.

\_\_\_\_\_

\_\_\_\_\_



**Activity 1**

**Week 7**

Explain what a budget is

\_\_\_\_\_

\_\_\_\_\_

1. What do you understand about the following about a budget:

1.1 a budget must be realistic \_\_\_\_\_

1.2 a budget must be flexible \_\_\_\_\_

1.3 a budget can help a person to save money ? explain your answer

\_\_\_\_\_

**Activity 2**

**Week 7**

**Planning a personal budget**

Look at Donovan's budget

Income	Amount	Expenses	Amount
Salary (after tax)	R4 210	Rent	R 1 010
Weekend job	R 514	Electricity	R 90
		Food	R 1 500
		Car payments and petrol	R 1 020
		Account payments	R 425
		Entertainment	R 700
		Clothing	R 600

		Domestic help	R 400
<b>TOTAL</b>	<b>R4 724</b>	<b>TOTAL</b>	<b>R 5 745</b>

1. Explain what you have noticed about Donavan's budget.
2. Is it a balanced budget? Explain why you think so.
3. Is Donavan spending more or less than he earns?
4. What would you suggest he could do to manage his money better?
5. What do you think he should stop spending money on? Why?
6. Should he be saving any money?
7. What will happen if he suddenly needs money for an emergency?
8. Re-draw Donavan's budget. Draw up an expenses column for Donavan so that he can support himself with his current income.
9. Explain how Donavan can manage financially with his new budget.

### Activity 3

### **Week 7**

Below, is a budget drawn up by Jacob Zuka, a Grade 7 learner, to plan his monthly spending for the first three months of the year.

	January	February	March
<b>Income/ Receipts of cash</b>	350	350	500
Pocket money	50	50	50
Birthday present	---	---	150
Part time job – working in the garden	300	300	300
<b>Expenses/Cash Payments</b>	335	375	260

Books and magazines	40	---	140
Clothes	200	275	---
Entertainment	60	60	75
Food and cool drinks	35	40	45
Surplus for the month	15	(25)	240
Money at the beginning of the month	220	235	210
Money at the end of the month	235	210	450

1. How much money did Jacob have at the beginning of January?  
\_\_\_\_\_
2. How much money did he have at the end of January?  
\_\_\_\_\_
3. Explain why his money went up by R15 during January.  
\_\_\_\_\_
4. Why was his income so much more in March?  
\_\_\_\_\_
5. Why were his expenses so much more in February?  
\_\_\_\_\_
6. Explain whether you think he is managing his money well?  
\_\_\_\_\_
7. What suggestions could you make to Jacob to help him budget his money more effectively.  
\_\_\_\_\_

**Activity 4****Week 7**

Use the following information to compile Robert William's personal budget for March.

Roberts's monthly allowance (pocket money) from his parents is R750

Robert works as a waiter at a local restaurant and earns a basic hourly wage of R20.

A normal Saturday night shift is 5 hours. Robert plans to work 3 Saturdays in March and thinks that he will receive R85, per shift, in tips.

Robert uses his monthly allowance to pay for:

Toiletries: R150

Petrol for his motorbike: R263

Monthly entertainment costs: R350

Tuck shop at school: R90

Monthly repayment for sound system: R175 per month (three payments remain)

Cell phone airtime: R80

Savings for his planned soccer trip: R120

Robert is planning to buy his mother a watch for her birthday, which costs R250.

Compile Robert's budget for March. fill in the relevant information.

<b>BUDGET - MARCH</b>	<b>R</b>
<b>Income</b>	
<b>Total income</b>	
<b>Expenses</b>	
<b>Total expenses</b>	
<b>Surplus / shortfall</b>	

### **Activity 5**

### **Week 8**

Review Simon's personal budget for April 2015 and answer the questions that follow.

Income:		Expenses:	
<b>Pocket money</b>	<b>R400</b>	<b>Toiletries</b>	<b>R100</b>
<b>Washing cars over the weekend</b>	<b>R200</b>	<b>Transport ticket</b>	<b>R150</b>
		<b>Air time ticket</b>	<b>R100</b>
		<b>Tuck shop</b>	<b>R200</b>

1. How much is Simon's income for the month?  
\_\_\_\_\_
2. How much is Simon's expenses for the month?  
\_\_\_\_\_
3. Does Simon have any money left for the month? If so, how much?  
\_\_\_\_\_
4. If his income remains the same every month. How long will it take him to buy a pair of jeans what costs R300?  
\_\_\_\_\_
5. If he wants to buy his pair of jeans earlier, suggest ways that he can use to decrease his \_\_\_\_\_ expenses.  
\_\_\_\_\_

**Activity 6****Week 4**

**Draw up a personal budget for the Molala family**  
Read the case study below and answer the question that follows:

**CASE STUDY: The Molala family**

**The Molala family are having problems with their money. They never seem to have enough money for fun, holidays or even for going to a restaurant to eat dinner.**

**Their actual income and expenses for the past month are:**

**Mr. Molala's salary, R10 000; Mrs. Molala earns R1 500 baking cakes for a local coffee shop; mortgage bond, R3 500; medical aid, R900; school fees, R300; water and electricity, R400; telephone, R350; monthly payment to Woolworths for clothes, R500; groceries, R2 300; petrol, R900; garden services, R700, gifts and entertainment, R1 500.**

1. Draw up a budget for the Molala family.

<b>BUDGET - MARCH</b>	<b>R</b>
<b>Income</b>	
<b>Total income</b>	
<b>Expenses</b>	
<b>Total expenses</b>	
<b>Surplus / shortfall</b>	