

# INTERVENTION GUIDE

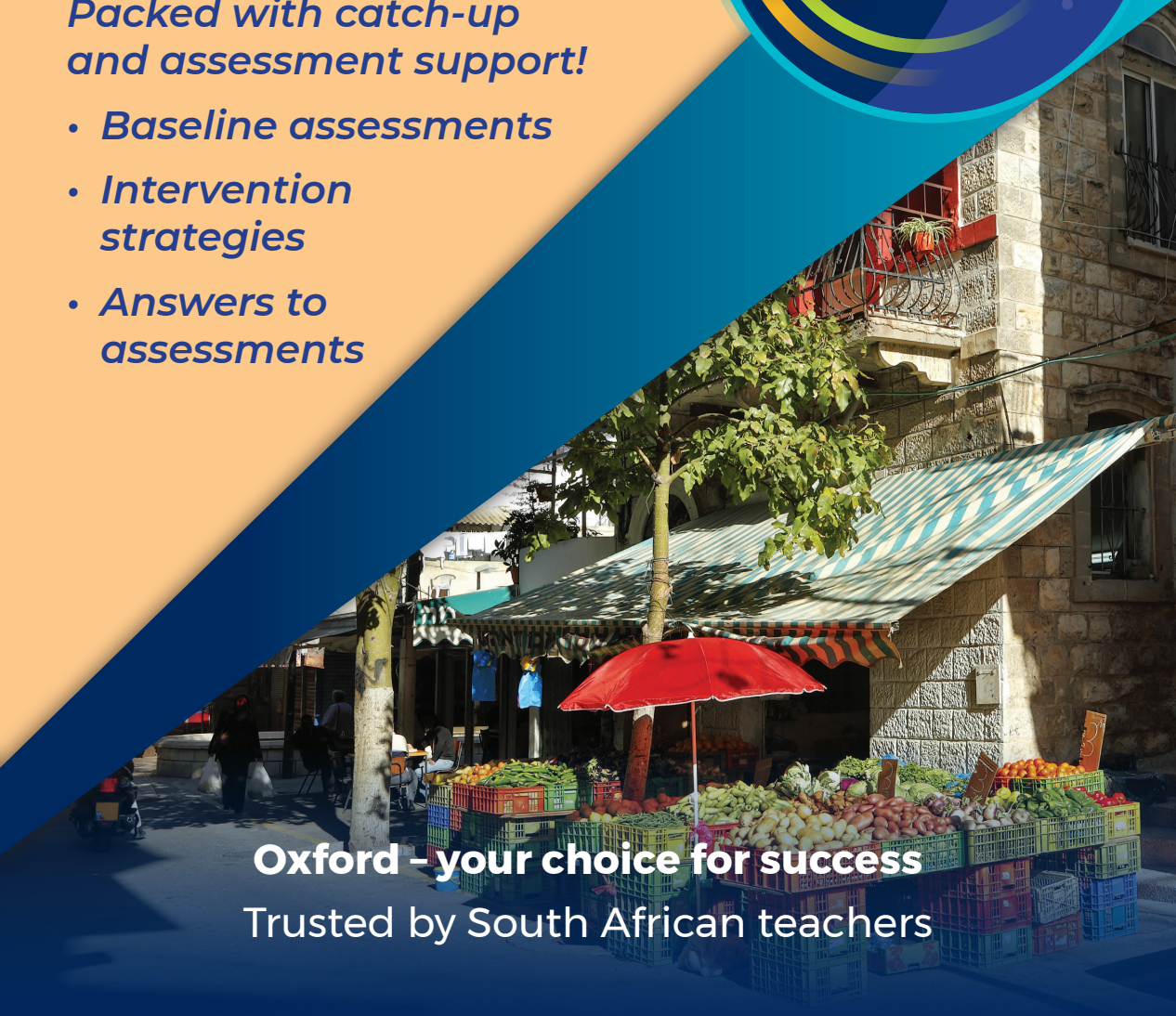
## Economic and Management Sciences Grade 7

*Packed with catch-up  
and assessment support!*

- *Baseline assessments*
- *Intervention strategies*
- *Answers to assessments*



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# Types of assessment

This handbook focuses on three main types of assessment: baseline assessment; formal formative assessment and summative assessment.

Type of assessment	Description
<b>Baseline assessment</b>	Establishes whether learners meet the basic skills and knowledge level required. Helps the teacher plan for the year, and for each learner. Is administered at the beginning of the year and before a particular topic. Results are used as a guide for teaching and not for promotion purposes.
<b>Formative assessment</b>	Used to aid the learning process and not for promotion purposes. Usually informal, to provide the teacher and learner with a more frequent account of where the learner is at in their learning journey. Teachers can use this form of assessment to modify and adapt their own teaching.
<b>Summative assessment</b>	Carried out after completion of a topic or cluster of topics. Is an assessment of learning that has taken place. Recorded and used for promotion. This is usually formal assessment, making up the formal programme of assessment.

All assessment tasks that make up a formal Programme of Assessment for the year are regarded as formal assessment. Formal assessment tasks are marked and formally recorded by the teacher for progression and certification purposes. The forms of assessment used should be appropriate for the learners' ages and developmental levels. Learners must complete formal assessments each term.

Formal assessment provides teachers with a systematic way of evaluating how well learners are progressing in a grade and in a particular subject. Examples of formal assessments include tests, examinations, assignment, case study and projects.

Formal assessment tasks form part of a year-long formal Programme of Assessment in each grade and subject.

This guide also includes suggested intervention strategies to address needs of learners who have performed below average in the assessments.

# Programme of assessment

Learners' marks for formal assessment are partly derived from their year mark for school-based assessment (SBA, 40%), and partly from their final controlled test mark (60%). This guide provides a full formal Programme of Assessment aligned with the EMS CAPS curriculum.

The table below presents the formal assessment opportunities for Grade 7 and shows the breakdown between SBA and the final controlled test:

Programme of assessment					
	Term 1		Term 2	Term 3	Term 4
Forms of assessment	Task 1 Case study	Task 2 Controlled test	Task 3 Mid-term controlled test	Task 4 Project	Task 5 Final controlled test
Tool(s) of assessment	Rubric	Memo	Memo	Rubric	Memo
Total marks	50	50	100	50	100
Time allocation	60 minutes	60 minutes	90 minutes		90 minutes
Date of completion	Week 5	Week 10	Weeks 9–10	Week 10	Week 9–10
Content focus: Knowledge and skill	The Economy: History of money Needs and wants	Content covered in Term 1: The Economy Goods and services Inequality and poverty	Term 1 & 2 work Term 1 content: 30% Term 2 content: 70%	Entrepreneurship: The entrepreneur: Starting a business	Financial Literacy 50% Economy 25% Entrepreneurship 25%
Per term reporting weighting %	50%	50%	100%	100%	
	100%				
Annual reporting: weighting	10%	10%	10%	10%	60%
	SBA = 40%				

# Baseline assessment

## The economy: History of money



Let's see if you understand all the concepts in this topic!!

### ACTIVITY 1

[20]

Match the term in Column A to the explanation in Column B.

Only write the number and letter from each column, for example 1. A.

COLUMN A		COLUMN B	
1	Durable	A	Using email to fool a computer user in order to get personal information
2	Electronic Funds Transfer	B	A characteristic of money
3	Phishing	C	Money systems in different countries
4	Bartering	D	To move money from one account to another
5	Promissory notes	E	Different values of coins
6	Traditional societies	F	Automatic Teller Machine
7	Face value	G	Notes where one person agrees to pay a sum of money to the other
8	Currencies	H	The value printed on the face of a banknote
9	ATM	I	Exchanging goods for other goods without using money
10	Denominations	J	People are self-sufficient and do not use money

## The economy: Needs and wants

**Needs** are things that a person cannot live without for survival.

**Secondary needs/wants:** Things that we wish to have in life, but we do not have to have in order to survive (things you can live without).

## ACTIVITY 2

[20]

Look at the items bought by the customers in the TWO pictures.

Make a list of FIVE items that are needs, and FIVE items that are wants.



## ACTIVITY 3

[12]

3.1 Name FOUR basic needs of communities provided for by the government.

(8)

3.2 Explain why primary needs are more important than secondary needs.

(2)

3.3 Explain what you understand by unlimited wants.

(2)

## The economy: Goods and services

**Goods** are products that you can see and touch. These are things that businesses hand over to you when you buy them.

**Services** are actions that businesses perform for you that benefit you. For example, dry cleaners clean your clothes, and taxis transport you to where you want to go.

## ACTIVITY 4

[24]

4.1 Look at the list below. State whether these are goods or services.

- |                        |                           |
|------------------------|---------------------------|
| a. Hair salon          | d. Cooldrink              |
| b. Nurse in a hospital | e. Waiter in a restaurant |
| c. Pilot               | f. Taxi                   |

(12)

4.2 Describe the three different sectors of business.

Give TWO examples of each.

(12)

## The economy: Inequality and poverty

## ACTIVITY 5

[16]

5.1 Explain the meaning of the following:

(10)

- |                                  |                              |
|----------------------------------|------------------------------|
| a. Inequality                    | d. Skills shortage           |
| b. Sustainable job opportunities | e. Socio-economic imbalances |
| c. Skills development            |                              |

5.2 Name two important ways of fighting inequality and injustice.

(2)

5.3 Briefly describe two causes of the socio-economic imbalances in South Africa.

(4)



# Baseline intervention strategies

There are many new terms in EMS that learners in Grade 7 need to understand in order to grasp the key concepts. The key terms per topic are listed on this page. Get learners to write down an explanation of each concept in their own words. When they clearly understand all the concepts, they should be able to answer the questions

## History of money

traditional societies  
self-sufficient  
bartering  
promissory notes  
electronic banking  
ATM  
EFT  
face value  
phishing  
denominations  
credit  
currency

## Re-teaching the content:

Most of this topic covers historical content. Gather information on traditional societies and bartering. Find pictures of earlier coins, as well as examples of foreign currencies.



## Needs and wants

primary needs  
wants  
secondary needs  
unlimited wants  
limited resources  
economic problem



## Goods and services

natural goods  
manufactured goods  
utility goods  
luxury goods  
consumable goods  
durable goods  
capital goods  
essential services  
primary sector  
secondary sector  
tertiary sector  
producers  
consumers  
recycle  
reprocess



## Inequality and poverty

inequality  
socio-economic imbalances  
sustainable job opportunities  
skills shortage  
skills development  
infrastructure



## Task: Case study

---

Marks 50

Time 60 minutes

### Instruction to learners

1. Answer Section A and Section B.
2. Write neatly and legibly.

### Section A

---

Read the case studies and then answer the questions that follow:

Lerato lived with her family in a hut in a small village in Limpopo, near a river a long time ago. They had their own vegetable garden, a few chickens, sheep, goats and cows. Lerato and her brother looked after the animals during the day, her mother cooked, while her father made sure that they had everything else they needed.



Thabo lives with his brother, sister and parents in a house in Cape Town in 2021. His mother is a teacher, and his father is a dentist. His parents buy food and other necessities at the shopping centre.



- 1.1 What were the needs of Lerato's family, and that of Thabo's family.
- 1.2 Compare the basic needs and wants of Lerato's family living in a traditional society with the needs and wants of Thabo's modern family living in the city.
- 1.3 Compare the methods of trade used by traditional societies and modern society.

### Section B

---

The problem of unlimited wants and limited resources is called the *economic problem*.

Answer the following questions:

- 2.1 Discuss which resources are limited.
- 2.2 Describe one resource supplied by businesses and one resource supplied by the government.
- 2.3 Discuss what can be done to overcome the difficulties of limited resources.



The following rubric will be used to assess the task:

Criteria	Level 1	Level 2	Level 3	Maximum mark	Learner mark
<b>Section A</b>					
1.1	Poorly answered (0-2 marks)	Generally correct and relevant (3-4 marks)	Detailed, accurate and relevant (5 marks)	5	
1.2	Poorly answered (0-3 marks)	Generally correct and relevant (4-6 marks)	Detailed, accurate and relevant. Shows understanding (7-8 marks)	8	
1.3	Poorly answered (0-3 marks)	Generally correct and relevant (4-6 marks)	Detailed, accurate and relevant Shows understanding (7-8 marks)	8	
<b>Section B</b>					
2.1	Poorly answered (0-3 marks)	Generally correct and relevant (4-6 marks)	Detailed, accurate and relevant Shows understanding (7-8 marks)	8	
2.2	Poorly answered (0-3 marks)	Generally correct and relevant (4-6 marks)	Detailed, accurate and relevant (7-8 marks)	8	
2.3	Poorly answered (0-1 mark)	Generally correct and relevant (2-3 marks)	Detailed, accurate and relevant (4-5 marks)	5	
Logical arrangement of answer	Answer not well arranged (0-1 marks)	Generally logical arrangement (2-3 marks)	Logical arrangement of answer (4 marks)	4	
Layout and neatness	Poor layout (0-2 marks)	Good layout and neat (2-3 marks)	Very good layout and very neat (4 marks)	4	
<b>Total</b>				<b>50</b>	

Controlled test

Marks 50

Time 60 minutes

Section A

[16]

QUESTION 1 (4)

For each of the questions below there are four possible answers. Choose the one you consider correct and write the correct answer next to the number, for example 2.1 a.

- 1.1 Someone who purchases goods and services is called a:
- a. producer
  - b. consumer
  - c. customer
  - d. manufacturer.
- 1.2 Goods that last a long time such as furniture are called:
- a. durable goods
  - b. capital goods
  - c. consumable goods
  - d. luxury goods.
- 1.3 Standard of living means:
- a. the level of someone’s wealth and comfort
  - b. inequality in a country
  - c. the poverty line
  - d. skills shortage.
- 1.4 Knives and forks are examples of \_\_\_\_\_
- a. essential goods
  - b. natural goods
  - c. utility goods
  - d. non-essential goods.

QUESTION 2 (6)

Match the term in Column A to the explanation in Column B. Only write the number and letter from each column, for example 1. A.

COLUMN A		COLUMN B	
1	Consumers	A	Goods that we use to produce products or provide a service like a washing machine in a laundry business
2	Urban challenge	B	Large differences in the standard of living of people in a country
3	Primary sector	C	People who buy or use goods and services
4	Capital goods	D	Jobs that last for a long time and that are in economically and environmentally sustainable industries
5	Socio-economic imbalances	E	An example is a farmer who grows grapes and uses these to produce wine.
6	Sustainable job opportunities	F	Shortage of affordable housing, informal settlements

**QUESTION 3****(6)**

Indicate if the following statements are TRUE or FALSE. Only write the number and TRUE or FALSE.

- 3.1 Non-essential services are services such as waste removal, public transport and electricity.
- 3.2 The formal sector does not supply all the goods and services in the economy.
- 3.3 In urban areas there are higher salaries and a lower cost of living.
- 3.4 Supermarkets fall under the primary sector.
- 3.5 There are limited opportunities for education in rural areas.
- 3.6 HIV/AIDS is one of the causes of poverty in the country.

**Section B: The Economy****[34]****QUESTION 4****[16]**

- 4.1 Describe the economic problem in your own words. (2)
- 4.2 Explain the link between primary and secondary needs and the economic problem. (4)
- 4.3 Define durable goods (2)
- 4.4 Explain TWO ways in which you can reuse and recycle goods to satisfy needs and wants. (4)
- 4.5 Describe the difference between essential and non-essential services. (4)

**QUESTION 5****[18]**

- 5.1 Define the following:
  - a. Skills shortage
  - b. Inequality (4)
- 5.2 Name THREE differences in daily living that may cause inequalities between urban and rural communities. (6)
- 5.3 Discuss how skills development can help to fight inequality. (4)
- 5.4 Explain why skills shortages are bad for economic growth. (4)

**[TOTAL: 50 MARKS]**

Analyse the assessment results from the case study and controlled test. Use this data to determine which learners need further support. The activities below can be used for this purpose.

- First, learners have to revise the concepts on page 7 to ensure that they have a clear understanding of what each concept means.
- Pair learners who are still struggling with some concepts with stronger learners. Those who understand the content well can help those who are struggling.
- Encourage learners to draw mind maps to revise what they have learnt during the term.
- Have discussions with the learners to help them to think critically about the topics, so that they will be able to answer the middle and high order questions.

## **The economy**

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### **History of money**

- Have a discussion with the learners to let them see clearly that modern societies are not self-sufficient, as they rely on businesses to provide goods and services to them.
- Discuss an economy that is run without money and with only goods such as grain and meat. Learners should understand that successful bartering depends on the people you are trading with having what you want at the right time. Explain how this gap in bartering led to the development of money. Make sure that the learners understand the role of money in modern society. Provide further practice for the learners by letting them answer the following questions:

### **QUESTION 1**

- 1.1 Write a paragraph to explain bartering. Discuss TWO advantages and TWO disadvantages of bartering.
- 1.2 Write a paragraph to explain the effect of electronic banking on the world economy.
- 1.3 Discuss the role of money in modern times.

### **Needs and wants**

- Use newspapers, magazines and posters to show the difference between needs and wants. Help learners to realise that wants and needs are very different. If there are differences between the needs and wants in the communities, learners give their own understanding of these differences. Learners' discussions will vary according to where they live and their economic background.
- Learners should think critically about the resources and facilities available in their communities. Have a class discussion on these facilities. Are there enough facilities to satisfy their needs and wants? The learners must also

think critically about the economic problem caused by unlimited wants and limited resources.

- Let them answer the following questions:

## **QUESTION 2**

- 2.1 Describe why people's needs and wants are unlimited but their resources are limited.
- 2.2 Write a paragraph to discuss the facilities in your community. Give ideas to improve these facilities.

## **Goods and services**

- It is important that the learners understand the relationship between money, needs and wants, and purchasing power. The first three units in this term are all interrelated. Learners will find it easier to answer questions if they can understand how it relates to their own lives.
- Discuss with learners the producers and consumers of goods and services, and the role of households. Discuss how we can use goods and services in efficient and effective ways, and how to recycle and reuse goods to satisfy needs and wants. Let them understand clearly that a person or business can be both a producer and consumer.
- Discuss the fact that the three sectors of business, namely primary, secondary and tertiary sectors are interlinked.
- Let them answer the following questions:

## **QUESTION 3**

- 3.1 Give the concept for the description in each case:
  - a. Things that people do for you, but you cannot see or touch.
  - b. People who buy or use goods and services.
  - c. People in this sector offer goods that are produced in the secondary sector or services for the general public.
  - d. Goods that you can use over and over for years.
- 3.2 Fill in the missing words:
  - a. Mining is part of the \_\_\_\_ sector.
  - b. A construction business is part of the \_\_\_\_ sector.
  - c. A nurse caring for a patient in a clinic provides \_\_\_\_ (goods/services).
- 3.3 Discuss the difference between essential and non-essential services, and provide TWO examples of each.

## **Inequality and poverty**

- Learners have to revise the concepts on page 8 to ensure that they have a clear understanding of what each concept in this unit means, as they are difficult concepts. Have a class discussion on the standard of living, inequality, socio-economic imbalances, sustainable job opportunities, skills shortage and skills development. Some learners may find it difficult to discuss socio-economic imbalances and poverty. Encourage learners to express their opinions freely.
- Let them answer the following questions:

## **QUESTION 4**

- 4.1 Define sustainable job opportunities.
- 4.2 Give TWO examples of sustainable job opportunities.
- 4.3 Explain how sustainable job opportunities can improve inequality and poverty.

**Mid-year controlled test****Marks 100****Time 90 minutes****Section A****[10]****QUESTION 1****(5)**

Match the term in Column A to the explanation in Column B.

Only write the number and letter from each column, for example 1. A.

COLUMN A		COLUMN B	
1	Promissory notes	A	Examples are roads, provision of water and electricity, schools, telecommunication services, hospitals and clinics.
2	Tertiary sector	B	A plan of how much money the business will receive and how it will be spent.
3	Secondary needs	C	The sector responsible for the distribution of finished goods.
4	Infrastructure	D	Our survival does not depend on this.
5	Budget	E	A statement that shows your net worth
		F	Written acknowledgement of an amount that people owe.

**QUESTION 2****(5)**

Indicate if the following statements are TRUE or FALSE.

Only write the number and TRUE or FALSE.

- 2.1 Phishing means exchanging goods for other goods without using money.
- 2.2 Shelter is an example of a need.
- 2.3 Goods that last for a long time are called luxury goods.
- 2.4 Urban living has more choice in education and training facilities, at a lower cost.
- 2.5 Money received by a business from its operating activities is called income.

**Section B: The economy****[30]****QUESTION 3****[8]**

**Define the following concepts:**

- 3.1 Denominations
- 3.2 Currencies
- 3.3 Services
- 3.4 Basic needs

**QUESTION 4****[8]**

- 4.1 Explain the difference between consumers and producers.
- 4.2 Discuss the role of money in modern society.



**QUESTION 5****[14]**

- 5.1 a. Describe bartering in your own words. (2)  
b. Explain TWO disadvantages of bartering and how these led to the development of money. (4)  
c. Do you think barter would work in modern societies? Give a reason for your answer. (2)
- 5.2 a. Explain what socio-economic imbalances means. (2)  
b. Give TWO examples. (2)
- 5.3 Explain how skills development can help to fight inequality. (2)

**Section C: Financial literacy****[60]****QUESTION 6****(10)**

Give one word for the following descriptions:

- 6.1 Money the business owes to other people or other businesses, for example a bank loan.  
6.2 When income is more than the expenses.  
6.3 When two parties, a buyer and a seller, take action; the one buys and the other sells.  
6.4 These are costs that the business incurs to be able to do business.  
6.5 Money received by the business for services rendered.

**QUESTION 7****(10)**

Use the word bank below to answer the following questions:

Vehicle	Savings	Mortgage bond	Capital	Financial records
Bank overdraft	Debtor	Assets	Operating expenses	Creditor

- 7.1 Example of a long-term liability.  
7.2 Possessions of the business.  
7.3 Money that the owner needs to start a business.  
7.4 Money kept aside for future use.  
7.5 People that buy on credit from the business.  
7.6 A business to whom the business owes money.  
7.7 Example of a fixed asset.  
7.8 A type of loan from the bank where the bank allows you to draw more money than you have in the bank.  
7.9 Documents that keep track of all money received and spent.  
7.10 Payments to run the business.

**QUESTION 8****(21)**

John Baloyi wants you to help him to calculate his net worth. John owns a house worth R850 000 and a vehicle worth R110 000. He has a mortgage bond on his house of R620 000 and still owes First Bank R80 000 for his vehicle. His furniture is worth R40 000, and his clothing R5 000. He has R3 500 in his current bank account, and he owes The Fashion House R1 800 for clothes. His computer is worth R6 000 and his mobile phone R1 500.

- 8.1 Draw up the statement of net worth on 31 July 2021. Use the template provided below.
- 8.2 Identify John’s biggest asset.
- 8.3 Identify John’s biggest liability.
- 8.4 Calculate how much John has paid off on his house so far.

**ANSWER**

8.1 Statement of net worth on 31 July 2021


**QUESTION 9** (19)

**Case study**

Lerato from Corner Spaza Shop wants you to assist her in drawing up a cash budget for June 2021. You received the following information from Lerato. The business had R15 000 in its bank account at the end of May 2021. The business usually pays the following amounts each month: Rent for the shop is R2 400, the water and electricity account is usually R800 per month, and the telephone cost is usually R700. The cashier earns a salary of R3 000 per month, and Lerato draws a salary of R8 000 per month. Lerato estimates that stock with a selling price of R60 000 will be sold, and the cost price of this stock is R35 000.

- 9.1 Draw up the cash budget for the Corner Spaza Shop for June 2021. Use the template below to answer the question.
- 9.2 Calculate the amount of money Corner Spaza Shop will have in its bank account at the end of June 2021.

**ANSWER:**

9.1 Cash budget for June 2021


**[TOTAL: 100 MARKS]**

## Financial literacy

Analyse the assessment results from the mid-controlled test. Use this data to determine which learners need further support. Identify stronger learners who can pair up with the weaker learners to assist them.

### Accounting concepts

- You can use the strategies listed below to re-teach the accounting concepts.
- Make sure learners understand and can differentiate between the various concepts. They must memorise the difficult concepts until they get familiar with them.
- Pay special attention to provide practical examples in order to help the learners understand the new concepts.
- Let them write the meaning of each concept in their own words, and also take turns to explain to the rest of the class. *Ensure that learners understand each concept before moving on to the next one.*

Capital	Money used to start a business, especially to get production going. It can be the owner's own capital, or borrowed capital.
Assets:	Anything of value that is owned by a business; possessions of a business.
Non-current assets	<i>Non-current assets</i> are possessions that will not change for more than one year. They are land and buildings, vehicles, furniture, equipment and fixed deposits.
Current assets	<i>Current assets</i> are money in the bank, trading inventory (trading stock), cash float, petty cash and debtors (customers who owe the business money). <b>What the business OWNS.</b>
Liabilities	Debt owed by the business.
Non-current liabilities	<i>Non-current liabilities</i> are long term loans and mortgage bonds which do not have to be repaid within one year.
Current liabilities	<i>Current liabilities</i> are amounts owed by the business, which must be repaid within one year. Examples are creditors (the business owes them money), bank overdraft (if the business owes money to the bank). <b>What the business OWES.</b>
Income	Money received by a business from its operating activities, for example for services rendered or sale of goods.
Expenses	Expenses are payments for the operating activities, for example payment for water and electricity, licence, wages, stationery, telephone, and so on.
Profit	When the business income is more than its expenses. <b>Profit = income – expenses</b>
Loss	When the business loses money as a result of its expenses being more than its income.
Budget	A plan of how much money you have and how you spend it – an estimate of future income and expenses

Savings	Money kept aside for future use.
Bank	The cash that the business has available in its bank account.
Banking	All the cash the business owner receives is deposited into the bank account of the business, and he withdraws money from the business bank account to make payments (or EFT payments). We refer to these actions as banking.
Financial records	Documents that keep track of all money received and spent.
Transaction	The act of buying or selling is called a transaction.

## Income and expenses

- Let learners draw a mind map showing the differences between business income and expenses.
- Make copies of the additional activities below and give these to learners who did not understand the concept of income and expenses, for further practice.

## ACTIVITY 1 Determine the profit or loss

- 1.1 Use the following information to complete the table below. The owner, Ben Baloyi, started a small car repair business in a workshop at the back of his house. He deposited R50 000 in the current account of the business. He bought equipment and tools for R20 000 and paid by cheque. He also borrowed R30 000 from First Bank to renovate the workshop. He rented out an extra room in the workshop for R1 000 per month, and received R5 000 for car repair services. His monthly expenses included water and electricity of R600, telephone cost of R500, stationery of R300, and transport cost of R400.
- 1.2 Use the information above to determine the profit or loss for the month. Use the template below.

### ANSWER:

	Assets	Liabilities	Equity	Income	Expenses
Capital					
Equipment					
Loan: First Bank					
Rent income					
Current income					
Water and electricity					
Telephone					
Stationery					
Transport					
<b>Total</b>					

1.2 Profit = \_\_\_\_\_

## Personal statement of net worth

- For preparing the personal statement of net worth, learners need to be familiar with the concepts of *assets and liabilities*. Have class discussions to revise these concepts.
- Make copies of the additional activities below for the learners who do not understand the statement of net worth.

**ACTIVITY 2 Statement of net worth**

Help Lerato to calculate her net worth on 31 March 2021. She gave you the following list of her assets and liabilities: Motorcycle R25 800, furniture R31 000; clothes R8 200; an account of R2 200 at The Fashion Store, and a mobile phone of R1 800. She had R9 800 in the bank and borrowed R4 500 from her sister. Prepare her statement of net worth on 31 March 2021.

**ACTIVITY 3 Statement of net worth**

Thabo wants to know how much he is worth. Help him by preparing a statement of net worth on 30 April 2021. He gave you a list of all his assets and liabilities: Car R94 000, house R560 000, clothes R8 100, furniture and electrical appliances R31 200, bank overdraft R7 560, money in his wallet R250, savings account R4 000, mortgage bond R300 380 and a mobile phone R800. His friend owed him R1 500 and he had an outstanding account of R11 750 at JJK Furnitures.

**ANSWER: ACTIVITY 2**

Statement of net worth on  
31 March 2021

Assets	
Liabilities	
Net worth	

**ANSWER: ACTIVITY 3**

Statement of net worth on 30 April 2021

Assets	
Liabilities	
Net worth	

**ACTIVITY 4 Statement of net worth**

John owns a flat that is worth R700 000. He has paid off R420 000, but still owes the balance of the mortgage bond to the bank. He financed a car worth R60 000, and still owes R25 000 on his car payments. He has R9 000 in his bank account. He also has a mobile-phone of R1 500 and a clothing account at Fashion Stores of R2 300. Calculate John's net worth on 31 March 2021.

**ANSWER: ACTIVITY 4**

Statement of net worth on  
31 March 2021

Assets	
Liabilities	
Net worth	

## Business budget

Use the results of the analysis of the mid-controlled test to determine which learners struggled with the budget. Use some of the following strategies to revise the business budget:

- Facilitate a class discussion on budgets and emphasise the concept of *cash receipts* and *cash payments*.
- Model how to draft a business budget on the board showing all steps to be followed when preparing a cash budget.
- Repetition is important for learners to become confident. Do as many exercises as possible, to ensure that learners are familiar with the calculations.
- Make copies of the additional activities below and give these to learners who need support.
- Let the learners do one question and mark it with them, and then the following question and mark it with them.

### ACTIVITY 5 Cash budget

John has a small business called John's Spaza Shop. He wants you to help him to draw up a cash budget for September 2021. He had R20 500 in his bank account on 1 September 2021. He expects to have the following transactions during September 2021:

Draw up a cash budget for September 2021 to see if John will have a surplus or a deficit.

Selling of food and cooldrinks	158 000
Buying of stock	52 000
Wages to employees	12 000
Water and electricity	1 500
Buying of packing material	2 400
Rent	4 000
Telephone costs	2 500
Net worth	

### ACTIVITY 6 Cash budget

Use the information of Lerato's Take-Aways and answer the questions that follow. Lerato's Take-Aways buys and sells all goods for cash only. Lerato's Take-Aways has R48 400 in its business current bank account. Expected receipts and payments for June 2021 are:

Selling of food	65 400
Selling of groceries	103 500
Buying of stock	85 200
Wages to employees	36 000
Repayment of loan	9 000
Buying of packing material	3 600
Money received for rental	6 000
Telephone costs	9 000

- 6.1. Calculate the expected receipts for June 2021.
- 6.2. Calculate the expected payments for June 2021.
- 6.3. Does the owner of Lerato's Take-Aways expect a surplus or a deficit for the month? Indicate the amount.
- 6.4 Draw up the cash budget for June 2021.
- 6.5 Calculate how much money the business can expect to have in its bank account on 30 June 2021.
- 6.6 Give reasons why you think it is important for a business to prepare a cash budget.



ANSWER ACTIVITY 5

Receipts	
Payments	
Surplus/Deficit	

6.3 Surplus/Deficit \_\_\_\_\_

6.4 Cash budget for June 2021

Receipts	
Payments	
Surplus/Deficit	

ACTIVITY 7 Cash budget

You have been asked to help your friend with the finances for her small take-away food business, Foods for All. She gave you the following expected monthly running costs and sales for August 2021. Food ingredients R84 000, wages for assistant R6 000, rental for premises R3 000, packing material R3 800, water and electricity R2 500, telephone R1 500, advertising R400, and sales R160 000. She takes a salary of R8 000 per month for herself.

Draw up a cash budget for August 2021 to show her a clear picture of an expected surplus or deficit.

ANSWER ACTIVITY 6

6.1 Receipts

Receipts	

6.2 Payments

Payment	

6.5 \_\_\_\_\_

\_\_\_\_\_

6.6 \_\_\_\_\_

\_\_\_\_\_

ANSWER ACTIVITY 7

Cash budget for August 2021

Receipts	
Payments	
Surplus/Deficit	

## Project

Marks 50

### Instructions to learners

1. Work through the steps below.
2. This is individual work.
3. You can decide on the format of your presentation.
4. Write neatly and legibly.
5. Due date for this project is \_\_\_\_\_

### Planning to start a business

You have just inherited R150 000 and decide to use it to start your own business. You do not have a specific business idea yet, and you want to know whether you will be suited to running a business.

To make a decision, work through the six steps below.



#### 1. Reasons for starting a business.

Discuss reasons why a person would like to start his or her own business.

#### 2. The entrepreneur

- Explain what an entrepreneur is. Describe the characteristics of an entrepreneur, and the skills an entrepreneur should have.
- Do you have the entrepreneurial qualities that would make you well-suited to running a business? To help you to decide whether you are suited to be an entrepreneur, complete the form below. Name at least ten (10) characteristics and skills of an entrepreneur.

Characteristics / skills of an entrepreneur	Do you qualify?
I am hard working	
I can work on my own.	
I am productive	

#### 3. Needs and wants of customers (target market)

- Before you decide what business to start, you need to decide who your market is and what they want. Identify your customers (target market) for your business.
- Write down some ideas about how you would do market research to determine the needs and wants of consumers in your area.

4. Do a SWOT analysis for the business

Now that you have listed possible business ideas, you need to determine which one is the most likely to succeed. Businesses do this by means of a SWOT analysis. SWOT stands for Strengths, Weaknesses, Opportunities and Threats. Use the table below to complete your SWOT analysis .

- List the skills and resources you already have for your business under *Strengths*.
- List the skills and resources you do not have for your business under *Weaknesses*.
- List the needs and wants of the customers that your business meets under *Opportunities*.
- List other businesses that are making the same or similar products or offer similar services under *Threats*.

Strengths	Weaknesses
Opportunities	Threats

5. Setting goals

When starting a business, it is important to have business goals. This will give your business direction. Discuss the setting of SMART goals for your business.

6. Advertise the business

Discuss the different ways of advertising the business. Describe creative marketing ideas you could use.



Now that you have followed all these steps, you should be able to decide on a type of business and a product or service.

7. Decide on the name, product or service, and advertising.  
Make a poster.

- Decide on a name for the business and a product or service. Describe the product or service you chose.
- Create a one-page poster to advertise the business you chose. Use your creativity!!

8. Financial plan

Making a profit

A business can only be successful if it brings in more money than it spends. In other words, it must make a reasonable profit. Discuss the importance of selling the right product and buying at the lowest possible price.

Provide the following information on the planned business:

Product	Supplier	Cost price	Selling price	Profit

Budget

- A business must make sure that it does not spend more money than it has to be successful. To prevent this, the business owner should prepare a cash budget. Discuss the importance of preparing a cash budget.
- Use the following template to prepare a cash budget for your business.

Receipts	
Payments	
Surplus/Deficit	

The following rubric will be used to assess the task:

Criteria	Level 1 0–1 mark	Level 2 2–3 marks	Level 3 4–5 marks	Maximum mark	Learner mark
Reasons for starting business	Reasons poorly explained	Reasons well explained	Reasons very well explained	5	
The entrepreneur	Showed limited understanding of skills and opportunities	Showed basic understanding of skills and opportunities	Showed thorough understanding and comprehensive information presented	5	
Target market: needs and wants	Little evidence of market research done	Presented sufficient ideas for market research	Presented creative ideas for market research	5	
SWOT analysis	Showed poor understanding of SWOT analysis	Showed satisfactory understanding	Showed excellent understanding and well presented	5	
Goal setting	Showed poor understanding of goal setting	Showed average understanding	Showed thoughtful understanding of goal setting	5	
Advertising	Limited marketing ideas presented	Satisfactory marketing ideas presented	Creative marketing ideas presented	5	
Poster	Poorly designed poster and lacks information (0–3 marks)	Poster well presented, some areas with lack of information (4–7 marks)	Showed originality in creating poster with sufficient information (8–10 marks)	10	
Financial planning	Achieved 0–5 marks for the cash budget	Achieved 6–10 marks for the cash budget	Achieved 11–14 marks for the cash budget	5	
Presentation	Information poorly presented	Information well presented.	Excellent and comprehensive presentation	5	
<b>Total</b>				<b>50</b>	

Analyse the assessment results for term 3 and use this data to determine which learners need further support. You can use some of the strategies listed below to re-teach the content that learners are still struggling to grasp.

- Pair the learners, who are still struggling with some concepts, with stronger learners. Those who understand the text well can help those who are struggling. Encourage learners to draw mind maps to revise what they have learnt during term 3.
- Gather news articles from the Internet and newspapers about entrepreneurship in South Africa. Research entrepreneurship and entrepreneurial qualities on the Internet. Explain to learners that many of the world's largest businesses started with an entrepreneurial idea. Provide learners with examples of local successful entrepreneurs, such as Patrice Motsepe and Herman Mashaba. Let learners tell about the entrepreneurs they know. Discuss the possible characteristics and skills that make businessmen successful entrepreneurs.
- After re-teaching difficult content and facilitating class discussions, give the following activities to the learners to assess whether they are confident with the content.

**ACTIVITY 1****[14]**

- 1.1 Describe what an entrepreneur is. (2)
- 1.2 Explain why it is important for countries like South Africa to have entrepreneurs. (2)
- 1.3 Give THREE reasons why people start a business. (6)
- 1.4 Explain why a good business plan is compulsory for a successful business. (2)
- 1.5 Explain why an entrepreneur must have good relationships with his clients and suppliers. (2)

**ACTIVITY 2****[20]**

Draw a mind map to identify FIVE skills and FIVE characteristics that an entrepreneur should have.

**ACTIVITY 3****[8]**

You want to open a second fashion store selling sportswear in a shopping mall near the Technical College and local high school. Do a SWOT analysis and identify ONE strength, weakness, opportunity and threat for this business idea.



**ACTIVITY 4****[12]**

4.1 Explain each of the following terms:

- a. selling price (2)
- b. cost per item (2)
- c. mark-up (2)

4.2. Mary and Lerato want to make hamburgers to sell. They want to make R600 profit so that they can buy new cell phones. They have calculated that it will cost them R400 to make 40 hamburgers.

- a. How much should they sell each hamburger for to make R600 profit? (2)
- b. Calculate the mark-up for each hamburger. (4)

**ACTIVITY 5****[12]**

Jabu runs a take-away food store in a local shopping centre. He asked you to help him to calculate his costs. He gave you the following information about the chicken tacos he sells.

Ingredients	Costs
Taco bases	R40 for a packet of 4
Cheese	R80 per kg (he uses 100g for each taco)
Chicken	R80 per kg (1 kg makes 5 tacos)
Tomatoes	R20 per kg (1 kg makes 10 tacos)

Jabu's other expenses include rent, water and electricity, wages, telephone and packing material. It takes the employee 15 minutes to make one taco. He earns R80 per hour.

- 5.1 Explain to Jabu what variable costs are. (2)
- 5.2 Explain what fixed costs means. (2)
- 5.3 Name TWO fixed costs that Jabu has. (2)
- 5.4 Calculate the total cost of the ingredients to make one taco. (5)
- 5.5 Calculate the labour costs per taco. (1)

**Final controlled test****Marks 100****Time 90 minutes****Section A****[10]****QUESTION 1****(5)**

Choose the correct word between the brackets.

- 1.1 The resources a business needs to produce goods or offer services are called (inputs/outputs).
- 1.2 (Setting goals/advertising) is important in planning for the success of a business.
- 1.3 The (tertiary/secondary) sector is responsible for the distribution of finished goods.
- 1.4 How quickly inputs can be turned into outputs is called (productivity/manufacturing).
- 1.5 There are limited opportunities for education in (rural/urban) areas.

**QUESTION 2****(5)**

Indicate if the following statements are TRUE or FALSE.

- 2.1 One of the rights of the producer is to decide which factors of production are to be used.
- 2.2 Needs are things that we could live without.
- 2.3 Supermarkets fall under the primary sector.
- 2.4 A SWOT analysis helps an entrepreneur decide whether their new business idea will work.
- 2.5 Market research is only done by large businesses as it is expensive.

**Section B: The economy****[20]****QUESTION 3****[10]**

- 3.1 Name the FOUR factors of production. (4)
- 3.2 Explain what you understand by the term *economic growth*. (2)
- 3.3 Explain how technology has improved production over time. (4)

**QUESTION 4****[10]**

- 4.1 Give one word for the following descriptions: (5)
  - a. A written promise to pay or repay a sum of money at a given time or on demand.
  - b. Goods used in the production of other goods, such as machinery and equipment, in the manufacturing and construction industries.
  - c. Examples of these goods are steel to produce metal products, and wood to produce furniture.
  - d. Services that we need every day such as waste removal, public transport and electricity.

- e. Some groups of people have more than others; have access to more or better facilities; and benefit from better quality services.
- 4.2 Explain one way how goods and services can be used efficiently and effectively to conserve resources. (2)
- 4.3 Define sustainable job opportunities and give ONE example. (3)

## Section C: Financial literacy

[50]

### QUESTION 5

[10]

- 5.1 Choose the correct term from the word bank for each of the statements: (6)

Assets	Cash float	Mortgage bond	Creditor
Capital	Bank overdraft	Vehicle	Debtor

- Possessions of the business.
  - Money that the owner needs to start a business.
  - Example of a fixed asset.
  - Example of a long-term liability.
  - A type of loan from the bank where the bank allows you to draw more money than you have in the bank.
  - Small amounts of money that the business keeps in the cash register to give change to customers.
- 5.2 Discuss the role of banks in modern society. (4)

### QUESTION 6

[20]

- 6.1 Define a budget (2)
- 6.2 Read the case study and then answer the questions that follow.

Your friend, Solomon, runs a small catering business, Tasty Treats, from a small shop in a shopping centre. He asked you to help him with the finances of his business. He provided you with the estimated monthly running costs and sales. Solomon plans to take a salary of R8 000 per month for himself. He estimated R140 000 for food ingredients, R6 000 for wages for the assistant, R5 500 for rental for the business premises, R2 500 for water and electricity, R2 700 for telephone costs, R800 for marketing, and R190 000 for sales. He had R12 500 in the bank on 1 November 2021.

- Draw up a cash budget for Tasty Treats so that you can show Solomon whether he can expect a surplus or deficit. (14)
- Use the following template to answer the question:

#### Cash budget of Tasty Treats for November 2021

Receipts	
Payments	
Surplus/Deficit	

- b. Calculate how much money the business can expect to have in its bank account on 30 November 2021. (2)
- c. The business's operating budget shows that its actual expenses were R180 000 for November 2021. Explain what the implications of this are for the business. (2)

### QUESTION 7 [20]

- 7.1 Define net worth. (2)
- 7.2 Read the following case study and use the template to prepare a statement of net worth for Florence on 30 November 2021. (18)

Florence wants to know how much she is worth. She had the following assets and liabilities on 30 November 2021: Vehicle R200 000 on which she has already paid R120 000 to First Bank, house R650 000, caravan R90 000, clothes R14 000; furniture and electrical appliances R90 000, bank overdraft R5 000, cash in her bag R400, savings account R7 000, mortgage bond on the property R110 300, and a mobile phone R700. She loaned R2 000 to her sister; and has an outstanding account of R5 000 at The Fashion House.

### ANSWER

Statement of net worth on 30 November 2021

Total assets	
Total liabilities	
Net worth	

### Section D: Entrepreneurship [20]

#### QUESTION 8

- 8.1 Define fixed costs. (2)
- 8.2 Study the following expenses of Lerato's Needlework business and answer the questions:
 

Fabric for one tablecloth R250, thread R6, batting R10 and embroidery R9 per tablecloth, rent R2 400 per month, labour per tablecloth R150 and insurance R300 per month. Calculate the variable costs for one tablecloth. (6)
- 8.3 Explain the AIDA requirements for a good advertisement. (8)
- 8.4. What does SWOT analysis stand for? (4)

# Baseline assessment answers

## History of money

### ACTIVITY 1

[20]

1. B ✓✓
2. D ✓✓
3. A ✓✓
4. I ✓✓
5. G ✓✓
6. J ✓✓
7. H ✓✓
8. C ✓✓
9. F ✓✓
10. E ✓✓

(10 x 2 = 20)

## Needs and wants

### ACTIVITY 2

[20]

Needs	Wants	
Fruit	Tennis racket	Fashionable shoes (high heels)
Vegetables	Bicycle	Electrical heaters
Warm clothes	Books	Candy
Meat	Cricket bats	Ice cream
Warm water bottle	Handbags	Laptop
Basic clothing (T-shirts and jeans)	Grill	Television
Building materials (to build shelter)	Electric tools	Lawnmower
Stove (to cook food)		

(Any 5 needs x 2 = 10)

(Any 5 wants x 2 = 10)

### ACTIVITY 3

[12]

- 3.1 Housing, healthcare, education, water and sanitation, safety and social security, social and recreational amenities, transport and roads and electricity. (Any 4 x 2 = 8)
- 3.2 People cannot meet their secondary needs if their basic needs have not been met, ✓ for example it is difficult to focus on your schoolwork if you don't have enough food to eat. ✓ (2)
- 3.3 Unlimited wants mean that people want more than they need. ✓✓ (2)

## Goods and services

### ACTIVITY 4

[24]

- 4.1 a. services ✓✓
- b. services ✓✓
- c. services ✓✓
- d. goods ✓✓
- e. services ✓✓
- f. services ✓✓

(12)

- 4.2 Primary sector: Sector of the economy that produces raw materials. ✓✓ (2)  
 Examples: farming, fishing, forestry, mining and hunting. (Any 2 x 1 = 2)
- Secondary sector: People use raw materials from the primary sector to produce finished goods. ✓✓ (2)  
 Examples: furniture, jewellery, machinery, bakeries (Any 2 x 1 = 2)
- Tertiary sector: People offer goods produced in the secondary sector or service to the public. ✓✓ (2)  
 Examples: retail, tourism, banking, healthcare services. (Any 2 x 1 = 2)

## Inequality and poverty

### ACTIVITY 5

[16]

- 5.1 a. Inequality: when people are treated differently; some groups of people have more than others; have access to more or better facilities; and benefit from better quality services, such as education and health. ✓✓ (2)
- b. Sustainable job opportunities: jobs that last for a long time ✓✓ (2)
- c. Skills development: training programmes to develop skills of employees ✓✓ (2)
- d. Skills shortage: when there is a shortage of people with specialised skills ✓✓ (2)
- e. Socio-economic imbalances: The uneven spread of social and economic resources. ✓✓ (2)
- 5.2 Education ✓ and skills development ✓ (2)
- 5.3 The cause of the socio-economic imbalances is apartheid. ✓  
 The apartheid laws discriminated against people on the basis of race, and prevented people from getting a good education, ✓ and could not develop the skills to get good jobs. ✓ They were not allowed to work in certain positions, and their standard of living stayed low. ✓ (4)



## Baseline intervention answers

Learners use their own words to explain each concept! Allocate 2 marks for each correct explanation.

### **History of money**

traditional societies – people are self-sufficient and do not use money

self-sufficient – people produce goods and food for their own use

bartering – exchanging goods and services without using money, but using negotiation instead

promissory notes – these are notes where one person agrees to pay a sum of money to the other

electronic banking – the use of electronic means to transfer funds from one bank account to another

ATM – automatic teller machine

EFT – Electronic Fund Transfer – to move money from one account to another

face value – the value printed on the face of a banknote

phishing – using email to fool a computer user in order to get personal information

denominations – different values of coins

credit – the ability to get goods before you have paid for them

currency – money systems in different countries

### **Needs and wants**

primary needs – needs essential for survival, like food and water, shelter and clothing

wants – things that we wish to have in life, but things you can live without

secondary needs – also called “wants”

unlimited wants – people want more than they need, they never have enough

limited resources – there are not enough resources to satisfy everyone’s wants

economic problem – people have unlimited wants and resources are limited

### **Goods and services**

goods – products you can see and touch, such as toys and books

services – actions that businesses do for you, such as cleaning and gardening

natural goods – goods in their natural state, such as wood

manufactured goods – goods that have been changed from their natural state by production, like furniture

utility goods – goods that we use every day, such as knives, forks and plates

luxury goods – goods we can live without such as sports cars  
consumable goods – goods that do not last, such as food  
durable goods – goods that last a long time like furniture  
capital goods – goods we use to produce products or provide a service, such as machinery  
essential services – services that we need every day such as waste removal, public transport and electricity  
primary sector – sector of the economy that produces raw materials, such as farming, fishing, mining  
secondary sector – sector of the economy that uses raw materials to produce finished goods, like factories  
tertiary sector – people offer finished goods produced in the secondary sector or services to the public  
producers – people and businesses that make goods  
consumers – people and businesses that buy and use goods and services  
recycle – changing used materials (waste) into something new  
non-essential services – services that we do not really need to function, such as a garden service.

### **Inequality and poverty**

inequality – when people are treated differently; some groups of people have more than others  
socio-economic imbalances – the uneven spread of social and economic resources  
sustainable job opportunities – jobs that last for a long time  
skills shortage – when there is a shortage of people with specialised skills, such as doctors and nurses  
skills development – training programmes to develop the skills of employees  
infrastructure – examples are roads, provision of water and electricity, schools, telecommunication services

## Case study

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### Memorandum

**Marks 50**

**Time 60 minutes**

Use the rubric on page 7 to allocate learners' marks.

Use the suggested answers below as a guide to assess the learners' tasks.

### Section A

---

1. Learners name needs and wants of traditional societies, ✓✓ as well as for modern families. ✓✓  
Traditional societies consume very little to satisfy their basic needs. ✓
2. A traditional society uses basic methods to hunt for and harvest food. ✓  
Traditional societies do not have technology and their activities are subsistence activities. This means that they use most of what they produce themselves, and trade very little. ✓ Traditional economies are mostly rural and the people who live in them are self-sufficient, ✓ and do not rely on others for their survival. ✓  
A modern society uses technology ✓ to produce goods for trade. People have specialised skills ✓ and rely on other people ✓ to produce goods and provide services that they cannot make or provide for themselves.
3. In traditional societies, when people need food or clothing that they cannot make or get for themselves, ✓ they have to reach an agreement ✓ with someone else who has what they need. ✓ For example, your neighbour has a good crop of potatoes and you have too much milk from your cows. ✓ You then reach an agreement with your neighbour, and you exchange ✓ a pocket of potatoes for a container of milk. This is called bartering. Modern families use money, ✓ credit cards ✓ and Electronic Fund Transfer (EFT) ✓ to pay for goods and services.

### Section B

---

1. Limited resources means that there are fixed amounts ✓ of raw materials, labour, money, ✓ land, and work opportunities ✓ available to produce the goods ✓ and services that people want. South Africa has many different kinds of minerals and plants, but does not have enough good drinking water ✓ to meet the needs of its population. There is a lot of land, but much of it is not suitable for agriculture, ✓ to grow food crops and raise livestock. These shortages mean that many people struggle to meet their basic needs. ✓ Lack of job opportunities means that many people cannot find permanent work – they do not have a regular income ✓ and struggle to meet even their basic needs. This means that individuals have to make choices and go without some of their wants. ✓

2. Government also supplies some of our needs, ✓ such as basic housing, clean water, ✓ sanitation, electricity and health care. ✓ They do this by building water storage dams, ✓ coal and nuclear power stations for electricity, ✓ and paying for public works programmes to build schools, ✓ hospitals, roads and other expensive infrastructure. Government uses taxes ✓ it collects from working individuals and from profitable businesses to pay for these things. But the more the population grows and unemployment increases, the more the government struggles to find enough money to pay for all these needs ✓
3. The country needs to satisfy its citizens' basic needs ✓ before it can think about providing luxury goods. ✓ It needs to invest in projects ✓ that will increase its agricultural output ✓ so that it is able to feed its people first. ✓

## Controlled test

### Memorandum

Marks 50

Time 60 minutes

#### Section A

[16]

#### QUESTION 1 (4)

- 1.1 B ✓
- 1.2 A ✓
- 1.3 A ✓
- 1.4 C ✓

#### QUESTION 2 (6)

- 1 C ✓
- 2 F ✓
- 3 E ✓
- 4 A ✓
- 5 B ✓
- 6 D ✓

#### QUESTION 3 (6)

- 2.1 False ✓
- 2.2 True ✓
- 2.3 False ✓
- 2.4 False ✓
- 2.5 True ✓
- 2.6 True ✓

#### Section B: The economy

[34]

#### QUESTION 4

[16]

- 4.1 The problem caused by the limited resources ✓ available to satisfy people's unlimited wants. ✓ (2)
- 4.2 If a country has limited factors of production, ✓ it needs to choose what to produce very carefully to satisfy the needs and wants of the citizens. ✓ For example, if a poor country cannot produce enough food for its people, they cannot use capital to produce luxury goods. ✓ The basic needs of the people must be satisfied before luxury goods can be provided. ✓ (4)
- 4.3 Goods that last a long time, such as furniture ✓✓ (2)
- 4.4 Reduce the use of electricity when not in a room; Reuse old plastic bags to make mats; Recycle glass, paper; Cans to be used as recycled furniture, bags, cups; Use old wires to make toy cars to sell; Use old cooldrink cans and bottles to make vases. (Any 2 x 2 = 4)
- 4.5 Essential services that we need every day such as waste removal, public transport and electricity. ✓✓  
Non-essential services: services that we do not really need to function but are nice to have, such as garden services. ✓✓ (4)

**QUESTION 5****[18]**

- 5.1 a. Skills shortage – When there is a lack of certain skills, such as doctors, engineers, and accountants in a country. That means that people are not skilled enough to do the specialised jobs. ✓✓
- b. Inequality – Inequality is when people are treated differently. Some groups of people have more than others; have access to more or better facilities; and benefit from better quality, services such as education and health care. ✓✓ (4)

5.2 Urban/City living	Rural living
More job opportunities, but more competition	Few job opportunities; easier to <i>live off the land</i>
Higher salaries, but higher cost of living	Mostly unskilled work, so lower wages
Public transport systems, but often greater distances to travel between home, work, school, recreation	Long-distance travel to major centres is expensive. Local travel for work, school, recreation, often within walking distance
More choice in education and training facilities, but often at a high cost	Limited opportunities for education and skills training No tertiary education
Social and emotional support is often not available	Language can be a barrier to getting work if the job seeker has difficulty communicating in the local business language.
Shortage of affordable housing, resulting in informal settlements on the outskirts of towns	Housing is often cheaper. Many people own their own houses.

(Any 3 x 2 = 6)

- 5.3 Better education and skills allow people to access better jobs. ✓  
They earn more money, and can educate themselves further. ✓  
The workforce helps the economy to grow. ✓ A stronger economy means that there are more jobs available and creates better education. ✓ (4)
- 5.4 Businesses cannot grow because they do not have enough skilled workers to fill the jobs. ✓✓  
They cannot employ more people to help grow the country's economy. ✓✓ (4)

**The economy: History of money****QUESTION 1****[24]**

- 1.1 Bartering is about exchanging goods and services without using money, ✓ but using negotiation instead. ✓ For example you can reach an agreement ✓ with your neighbour, and you exchange ✓ potatoes for milk. (4)
- Advantages of bartering (Any 2 x 2 = 4)  
It is flexible as different goods or services can be exchanged;  
Goods are only produced to meet the needs of people so there is no excess or waste; The economic power is not in the hands of a few rich people as everyone has to exchange their goods;  
Natural resources are only used to meet the needs of people.
  - Disadvantages of bartering (Any 2 x 2 = 4)  
It is difficult to value the various items that are being exchanged; Everyone is not honest and the products will not have a warranty or guarantee; It is difficult to find another person who has the product you need and wants the product you are offering; The difference in the value of the product or service creates a problem; Large items cannot be cut up to exchange for a smaller item of lower value.
- 1.2 Electronic banking makes consumer spending easier. ✓ You do not need to carry cash to pay accounts. ✓ It is very convenient as you can do any bank transactions in your own time. The bank service is available 24 hours every day of the year. ✓ Transactions are faster than using an ATM or going to the bank. ✓ (4)
- 1.3 Money is a unit of value: ✓ money carries a specific value; it is easier for consumers to buy goods. ✓  
Money is a medium of payment: ✓ the exchange does not depend on two people needing or wanting what the other has to offer. ✓  
Money maintains a healthy economy: ✓ money motivates individuals to work and be productive; and money encourages saving: ✓ savings allow us to create purchasing power. ✓ (8)

## The economy: Needs and wants

### QUESTION 2

- 2.1 Human wants are unlimited, ✓ there will never be enough resources to satisfy everyone's wants. ✓  
Limited resources mean that there are fixed amounts ✓ of raw materials, labour, money, land, and work opportunities available to produce the goods and services that people want. ✓ (4)
- 2.2 Learners give their own answers, which will vary according to service in their communities. They can discuss facilities such as policing, healthcare, education, housing and infrastructure.

## The economy: Goods and services

### QUESTION 3

[22]

- 3.1 a. services ✓✓  
b. consumers ✓✓  
c. tertiary sector ✓✓  
d. durable goods ✓✓ (8)
- 3.2 a. primary ✓✓  
b. secondary ✓✓  
c. services ✓✓ (6)
- 3.3 Essential services are services that we need every day ✓✓ such as waste removal, ✓ public transport ✓ and electricity. Non-essential services are services that we do not really need to function ✓✓ but are nice to have, for example a garden service ✓ and beauty salons. ✓ (8)

## The economy: Inequality and poverty

### QUESTION 4

[10]

- 4.1 Sustainable job opportunities are jobs that last for a long time. ✓  
They are not temporary jobs or jobs that have a short life-span, but rather jobs that are always needed to be done. ✓ (2)
- 4.2 Environmental jobs, jobs in the bridge building industry  
(Any 2 x 1 = 2)
- 4.3 These kinds of jobs bring workers security as they know that if they do their jobs well, ✓ they can stay employed for the rest of their lives. ✓ This means that they will be able to afford a reasonable standard of living ✓ and be able to meet needs and wants, for example food and shelter, ✓ education for themselves and their children, ✓ and so on. People who have secure jobs are far more likely to work harder ✓ and be motivated to develop their skills ✓ at work. Poverty can be improved if more people have sustainable jobs. ✓ (Max 6)

## Mid-year controlled test

### Memorandum

Marks 50

Time 60 minutes

#### Section A

[10]

##### QUESTION 1

(5)

- 1 F ✓
- 2 C ✓
- 3 D ✓
- 4 A ✓
- 5 B ✓

##### QUESTION 2

(5)

- 2.1 False ✓
- 2.2 True ✓
- 2.3 False ✓
- 2.4 False ✓
- 2.5 True ✓

#### Section B: The economy

[30]

##### QUESTION 3

[8]

- 3.1 Different values of coins ✓✓
- 3.2 Money systems in different countries ✓✓
- 3.3 Things that you cannot touch and that people do for others for example teaching, nursing. ✓✓
- 3.4 Things that people can't survive without. ✓✓ (4 x 2 = 8)

##### QUESTION 4

[8]

- 4.1 Producers are those businesses or people who make or produce, grow goods and render services which satisfy the needs and wants of consumers, for example farmers. ✓✓ (2)  
A consumer is a person who purchases or uses goods or services to satisfy his/her needs and wants. ✓✓ (2)
- 4.2 Money is a unit of value: ✓ money carries a specific value; it is easier for consumers to buy goods. ✓  
Money is a medium of payment: ✓ the exchange does not depend on two people needing or wanting what the other has to offer. ✓  
Money maintains a healthy economy: ✓ money motivates individuals to work and be productive. Money encourages saving: ✓ savings allow us to create purchasing power. ✓ (Max 4)



**QUESTION 5****[14]**

- 5.1 a. Exchanging goods for other goods without using money. ✓✓ (2)
- b. Disadvantages:  
People can't always get what they want or need by bartering. ✓✓  
Everyone is not honest and the products will not have a warranty or guarantee. ✓✓  
It is difficult to find another person who has the product or service you need and wants the product or service you are offering. ✓✓  
The difference in the value of the product or service creates a problem.  
Large items cannot be cut up to exchange for a smaller item of lower value. (Any 2 x 2 = Max 4)
- c. Answers will vary. Give two marks for any reasonable answer. ✓✓ (2)  
*Possible answer:* It would be difficult to work out the terms of the transaction.  
Or Someone can leave something in return that is less valuable than what they took.  
Or People can't always get what they want or need.  
Or They would take the goods and claim never to have received them.
- 5.2 a. Socio-economic imbalances mean the uneven spread ✓ of social and economic resources. ✓ (2)
- b. Imbalances in people's access to resources, standards of education, poverty, access to adequate health care, Government laws that control the distribution of these resources (Any 2 x 1 = 2)
- 5.3 If people have better education and skills they can get better jobs, ✓ earn more money, and can educate themselves further which helps the economy to grow, and more jobs will ✓ be created. (2)

**QUESTION 6**

(10)

- 6.1 liability ✓✓
- 6.2 profit ✓✓
- 6.3 transaction ✓✓
- 6.4 expenses ✓✓
- 6.5 current income ✓✓

**QUESTION 7**

(10)

- 7.1 Mortgage bond ✓
- 7.2 Assets ✓
- 7.3 Capital ✓
- 7.4 Money kept aside for future use ✓
- 7.5 Debtors ✓
- 7.6 Creditors ✓
- 7.7 Vehicle ✓
- 7.8 Bank overdraft ✓
- 7.9 Financial records ✓
- 7.10 Operating expenses ✓

**QUESTION 8**

(21)

Statement of net worth on  
31 July 2021

<b>Assets</b>	1 016 000✓
Property (House) ✓	850 000✓
Vehicle	110 000✓
Furniture	40 000✓
Clothes	5 000✓
Bank account	3 500✓
Computer	6 000✓
Mobile phone	1 500✓
<b>Liabilities</b>	701 800✓
Mortgage bond ✓	620 000✓
Loan: First Bank ✓	80 000✓
Creditor: Fashion House ✓	1 800✓
<b>Net worth</b> (1 016 000 – 701 800)	314 200✓

**QUESTION 9**

(19)

9.1 Cash budget for June 2021

<b>Receipts</b>	60 000✓
Sales ✓	60 000✓
<b>Payments</b>	49 900✓
Cost of sales ✓	35 000✓
Rent expense ✓	2 400✓
Water and electricity ✓	800✓
Salaries ✓ (3 000 + 8 000)	11 000✓✓
Telephone ✓	700✓
<b>Surplus</b> ✓	10 100✓

9.2  $R15\ 000 + R10\ 100 = R25\ 100$ ✓✓

## Financial literacy

### ACTIVITY 1

[17]

	Assets	Liabilities	Equity	Income	Expenses
Capital			✓ 50 000		
Equipment	✓ 20 000				
Loan: First Bank		✓ 30 000			
Rent income				✓ 1 000	
Current income				✓ 5 000	
Water and electricity					✓ 600
Telephone					✓ 500
Stationery					✓ 300
Transport					✓ 400
Total	✓ 20 000	✓ 30 000	✓ 50 000	✓ 6 000	✓ 1 800

2.2 Profit = Income - Expenses = R6 000 ✓ - R1 800 ✓ = R4 200 ✓

### ACTIVITY 2

[12]

Statement of net worth on  
31 March 2021

<b>Assets</b>	✓ 76 600
Motorcycle	✓ 25 800
Clothes	✓ 8 200
Furniture	✓ 31 000
Cash in bank	✓ 9 800
Mobile phone	✓ 1 800
<b>Liabilities</b>	✓ 6 700
Loan: Sister ✓	✓ 4 500
Creditor: Fashion Stores ✓	✓ 2 200
<b>Net worth</b>	✓ 69 900

### ACTIVITY 3

[17]

Statement of net worth on  
30 April 2021

<b>Assets</b>	✓ 699 850
Vehicle	✓ 94 000
House	✓ 560 000
Clothes	✓ 8 100
Furniture	✓ 31 200
Savings account	✓ 4 000
Cash	✓ 250
Mobile phone	✓ 800
Loan: Friend ✓	✓ 1 500
<b>Liabilities</b>	✓ 319 690
Bank overdraft	✓ 7 560
Mortgage bond ✓	✓ 300 380
Creditor: JJK Furnitures account ✓	✓ 11 750
<b>Net worth</b>	✓ 380 160

**ACTIVITY 4** [13]  
Statement of net worth on 31 March 2021

<b>Assets</b>	✓770 500
Property	✓700 000
Vehicle	✓60 000
Bank account	✓9 000
Mobile phone	✓1 500
<b>Liabilities</b>	✓307 300
Mortgage bond ✓ (700 000 – 420 000)	✓✓ 280 000
Loan for vehicle	✓25 000
Creditor: Fashion Stores ✓	✓2 300
<b>Net worth</b>	✓463 200

**ACTIVITY 6** [22]  
6.1 Receipts

Receipts	✓174 900
Saes of food	✓65 400
Sales of groceries	✓103 500
Rent income	✓6 000

6.2 Payments

Payments	✓142 800
Purchase of stock	✓85 200
Wages	✓36 000
Repayment of loan	✓9 000
Packing material	✓3 600
Telephone	✓9 000

6.3 Surplus ✓ = 174 900 – 142 800 = 32 100 ✓

6.5 R48 400✓ + R32 100✓ = R80 500✓

6.6 A business budget is used to keep watch over expenses and also to make sure they have enough money to pay their suppliers, workers and other expenses at the end of the month. ✓✓ A cash budget is drawn up to make sure that they have enough cash to pay expenses at the end of each month. ✓✓

**ACTIVITY 5** [11]  
Cash budget for September 2021

<b>Receipts</b>	✓158 000
Sales	✓158 000
<b>Payments</b>	✓74 400
Stock	✓52 000
Wages	✓12 000
Water and electricity	✓1 500
Packing material	✓2 400
Rent	✓4 000
Telephone	✓2 500
<b>Surplus</b> ✓ (158 000 – 74 400)	✓83 600

6.4 Cash budget for June 2021

<b>Receipts</b>	✓174 900
Sales of food	65 400
Sales of groceries	103 500
Rent income	6 000
<b>Payments</b>	✓142 800
Purchase of stock	85 200
Wages	36 000
Repayment of loan	9 000
Packing material	3 600
Telephone	9 000
<b>Surplus</b> (58 300 – 47 600)	✓32 100

**ACTIVITY 7** [12]  
Cash budget for August 2021

<b>Receipts</b>	✓160 000
Sales	✓160 000
<b>Payments</b>	✓109 200
Food ingredients	✓84 000
Salaries & wages (8 000 + 6 000)	✓14 000
Rent	✓3 000
Packing material	✓3 800
Water and electricity	✓2 500
Telephone	✓1 500
Advertising	✓400
<b>Surplus</b> ✓	✓50 800

**Project****[50]**

Give the learners plenty of notice for this project. Allow a short session at the beginning of each lesson for answering questions for the duration of the project.

Learners may decide which format they would like to present their information. They may use the formats provided. Encourage them to follow all the steps.

**Assessment:**

Use the assessment rubric on page 23 to assess the learners' work.

Allocate marks for the cash budget as follows:

Receipts	✓
✓ (one mark for receipts, e.g. Sales)	✓
Payments (3 marks max for payments)	(if correctly added) ✓✓
✓ (one mark for payment)	✓
✓ (one mark for payment)	✓
✓ (one mark for payment)	✓
Surplus / Deficit ✓✓ (2 marks if correctly indicated as surplus or deficit)	(if correctly calculated) ✓

**[Maximum 14 marks]**

## ACTIVITY 1

[14]

- 1.1. A person with a business idea organises and starts the business to make a profit. ✓✓ (2)
- 1.2. Entrepreneurs create jobs. ✓  
Entrepreneurs contribute to the economy. ✓ (2 x 1 = 2)
- 1.3. People cannot find jobs. They feel that the job they are doing, does not pay them enough money. Their working conditions are poor. Their job is boring. They do not like working for someone else. (Any 3 x 2 = Max 6)
- 1.4. From the business plan you can see the potential to make a profit. ✓✓  
You can determine the amount of money that you need to start the business. (Max 2)
- 1.5. Without good relations you will lose your clients and suppliers. ✓✓ (2)

## ACTIVITY 2

[20]

Learners draw a mind map. Allocate a maximum of 10 marks for skills and 10 marks for characteristics.

Skills: (Any 5 x 2 = 10)	Characteristics: (Any 5 x 2 = 10)
Is a self-starter	Innovative
Can provide leadership	Creative
Can take responsibility	Confident
Is good at organising	Enthusiastic
Can make decisions	Resourceful
Is trustworthy	Hard-working
Has plenty of energy	Takes risks

## ACTIVITY 3

[12]

<b>Strengths ✓ (1)</b> <ul style="list-style-type: none"> <li>The shopping mall could attract lots of customers near the college.</li> <li>Good choice of clothing for teenagers.</li> </ul> (Any 1 x 2 = 2)	<b>Opportunities ✓ (1)</b> <ul style="list-style-type: none"> <li>Grow the business by being already in the shopping centre before other similar businesses.</li> <li>Arrange joint marketing efforts with other businesses in the centre to save on advertising costs.</li> <li>Can attract customers from the nearby college and high school.</li> </ul> (Any 1 x 2 = 2)
<b>Weaknesses ✓ (1)</b> <ul style="list-style-type: none"> <li>Could struggle to get trained sales staff.</li> <li>Will need more cash flow because of increased expenses for the second shop.</li> </ul> (Any 1 x 2 = 2)	<b>Threats ✓ (1)</b> <ul style="list-style-type: none"> <li>Competition from other businesses that want to take advantage of the position.</li> <li>The rent may increase once all the new shops are filled, which will put pressure on the cash flow of the business.</li> </ul> (Any 1 x 2 = 2)

**ACTIVITY 4****[12]**

- 4.1. a. The price that a business sells goods for. ✓✓ (2)  
b. The cost of producing one product. ✓✓ (2)  
c. The cost that you add to a product's cost to make a profit. ✓ (2)
- 4.2. a. The total cost of producing the 40 hamburgers is R400. If they want to earn an extra R600 profit, their selling price is:  
Total income ÷ Number of goods  
= R1 000 ÷ 40 ✓  
= R25 ✓ (2)
- b. Costs to make one hamburger  
= Total cost ÷ Number of goods  
= R400 ÷ 40 ✓ = R10 ✓  
Mark-up = selling price - cost price  
= R25 - R10 ✓ = R15 per hamburger ✓ (4)

**ACTIVITY 5****[12]**

- 5.1 Variable costs are costs that change according to how many goods a business produces. ✓✓  
Or: variable costs increase when more goods are produced and decrease when fewer goods are produced. (2)
- 5.2 These are costs that you have to pay each month and that do not change, regardless of how many goods are produced. ✓✓ (2)
- 5.3 Rent ✓ and wages ✓ (2)
- 5.4 One taco base =  $R40 \div 4 = R10$   
Cheese for one taco =  $R80 \times 100/1000 = R8$   
Chicken for one taco =  $R80 \div 5 = R16$   
Tomatoes for one taco =  $R20 \div 10 = R2$   
Total cost of ingredients for one taco =  
 $R10 \checkmark + R8 \checkmark + R2 \checkmark + R16 \checkmark = R36 \checkmark$  (5)
- 5.5 Labour for one taco =  $R80 \div 4 = R20$ . ✓ (1)

## Final controlled test

### Memorandum

Marks 100

Time 90 minutes

#### Section A

[10]

##### QUESTION 1

(5)

- 1.1 Inputs ✓
- 1.2 Setting goals ✓
- 1.3 Tertiary ✓
- 1.4 Productivity ✓
- 1.5 Rural ✓

##### QUESTION 2

(5)

- 2.1 False ✓
- 2.2 False ✓
- 2.3 False ✓
- 2.4 True ✓
- 2.5 False ✓

#### Section B: The economy

[20]

##### QUESTION 3

[10]

- 3.1 Land/natural resources, ✓ labour, ✓ capital, ✓ entrepreneurship. ✓ (4)
- 3.2 It is the increase in the production capacity of a country. ✓  
It is measured by comparing the total value of the country's production in one year with the total production in the previous year. ✓ (2)
- 3.3 As technology progressed, machines ✓ took over the processes done by hand. Producing goods more quickly and efficiently ✓ led to the opening of factories. ✓ Factories employed workers to run the machines, ✓ and this was the start of mass production. ✓ (Max 4)

##### QUESTION 4

[10]

- 4.1 a. Promissory note ✓  
b. Capital goods ✓  
c. Semi-finished goods ✓  
d. Essential services ✓  
e. Inequality ✓ (5)
- 4.2 Reusing ✓ and recycling. ✓ (2)
- 4.3 Job opportunities that last for a long time ✓ and that are in economically and environmentally sustainable industries and bring workers security. ✓ (2)  
Examples are: (Any 1 x 1 ✓) environmental jobs, road-building jobs, community-based health jobs, building infrastructure, engineering. (1)



## QUESTION 5

[10]

- 5.1 a. assets ✓  
 b. capital ✓  
 c. vehicle ✓  
 d. mortgage bond  
 e. bank overdraft ✓  
 f. cash float ✓ (6)

- 5.2 They keep our money safe. ✓✓

Banks pay interest to people who leave their money in bank accounts. ✓✓

Banks contribute to economic growth by investing in new business and funding projects.

They act as intermediaries between people and between businesses.

(Any 2 x 2 = Max 4)

## QUESTION 6

[20]

- 6.1 A budget is an estimate or plan of the money that you will receive and how you will spend it over a specific period of time in the future. ✓✓ (2)
- 6.2. a. Cash budget for November 2021 (14)

<b>Receipts</b> ✓	✓190 000
Sales	✓190 000
<b>Payments</b> ✓	✓165 500
Food ingredients	✓140 000
Wages	✓6 000
Salary	✓8 000
Rent expense	✓5 500
Water and electricity	✓2 500
Telephone	✓2 700
Advertising / Marketing	✓800
<b>Surplus</b> ✓	✓24 500

- b.  $R12\,500 + R24\,500 = R37\,000$  ✓✓ (2)
- c. This indicates that the business has spent R14 500 more ✓ than it should have for the budgeted period. It should look carefully at ways of cutting this additional spending or increasing its income to make up the shortfall. ✓ (2)

**QUESTION 7****[20]**

- 7.1 Net worth describes the financial situation of a person at a particular moment; their total assets minus total liabilities. ✓✓ (2)
- 7.2 Statement of net worth on 30 November 2021 (18)

<b>Total assets</b>	(✓)1 054 100
Property	✓650 000
Vehicles: Car	✓200 000
Vehicles: Caravan	✓90 000
Clothes	✓14 000
Furniture and electrical appliances	✓90 000
Cash	✓400
Savings account	✓7 000
Loan to sister	✓2 000
Mobile phone	✓700
<b>Total liabilities</b>	(✓)200 300
Loan: First Bank ✓	✓80 000
Bank overdraft	✓5 000
Mortgage bond ✓	✓110 300
Creditor: The Fashion House	✓5 000
<b>Net worth</b>	(✓)853 800

**Section D: Entrepreneurship****[20]****QUESTION 8**

- 8.1 Fixed costs stay the same no matter how many products are made. ✓✓(2)
- 8.2 Variable costs relate to the materials in the tablecloth.  
 $R250 \checkmark + R6 \checkmark + R10 \checkmark + R9 \checkmark = R275 \checkmark (\checkmark)$  (6)
- 8.3 A – attract Attention. ✓ This can be done through colour, wording or illustration. ✓  
 I – arouse Interest. ✓ Once the advert has caught the reader's attention, it must arouse the interest of the reader to find out more about the product or service. ✓  
 D – create Desire. ✓ The advertisement must create a desire in the reader to obtain or purchase the product or service. ✓  
 A – lead to Action. ✓ The advertisement should create a desire that is so strong the reader buys the product or service. ✓ (8)
- 8.4 S – strengths ✓  
 W – weaknesses ✓  
 O – opportunities ✓  
 T – threats ✓ (4)

**Notes**

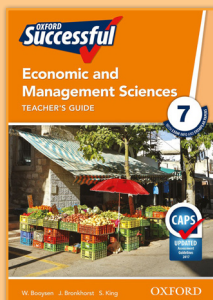
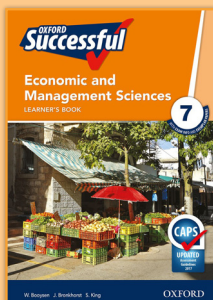
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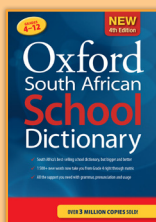
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