Economic and Management Sciences · Grade 7

The Economy and Financial Literacy

Term 1–4 | 7 questions | CAPS-aligned

TOTAL 93 MARKS

NAME AND SURNAME _____ CLASS _____ DATE _____

Instructions

1. Read ALL the instructions carefully.
2. Answer ALL the questions on the question paper itself, in the spaces provided.
3. You may use a calculator.
4. Show all your working in calculations - marks are awarded for method.
5. Write neatly and legibly in black or blue ink.
6. This is Test 1 of 2 of the Grade 7 November exam. It covers The economy and Financial literacy from the whole year (Term 1 to Term 4). Test 2 covers Entrepreneurship and the rest of the Term 3 and Term 4 work.

Question	Content of the question	Marks	Obtained
1	Short questions	6	
2	The economy	12	
3	Financial literacy	12	
4	Application	30	
5	The economy: businesses and growth	14	
6	Savings and banks	12	
7	Income and expenses	7	
	Total	93	
	Percentage		%

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Section A

1 Short questions

6 marks

Choose the correct answer and circle the letter.

1.1 Using natural resources in a way that leaves enough for future generations is called: **(1)**

(a) sustainable use (b) productivity (c) scarcity

1.2 Which one is an ASSET? **(1)**

(a) a bank loan (b) salaries that must be paid (c) a bakkie the business owns

1.3 The first banks developed from people who: **(1)**

(a) kept other people's gold and valuables safe for a fee (b) sold food at markets (c) printed newspapers

1.4 When expenses exceed income, the business makes a: **(1)**

(a) profit (b) loss (c) surplus

1.5 A business that sells goods it buys from others is a: **(1)**

(a) manufacturing business (b) service business (c) trading business

1.6 Money that a person puts away to use later is called: **(1)**

(a) savings (b) expenses (c) a loan

Section B

2 The economy

12 marks

2.1 Explain the difference between a NEED and a WANT, with an example of each. **(3)**

2.2 Name FOUR stages in the history of money, in the correct order. **(4)**

2.3 Explain what SCARCITY means and why it forces people to choose. **(3)**

2.4 Write next to each item whether it is a GOOD or a SERVICE. **(2)**

Item	Good / Service
A loaf of bread	
A haircut	

Section C

3 Financial literacy

12 marks

3.1 Write next to each item whether it is an ASSET or a LIABILITY. **(4)**

Item	Asset / Liability
A bakkie the business owns	
A bank loan of R50 000	
Equipment in the workshop	
Accounts still to be paid	

3.2 Study the budget and answer the questions. **(6)**

INCOME	Amount (R)
Salary	8 400
Weekend work	1 600
EXPENSES	
Rent	3 600
Food	2 800
Transport	1 300
Cellphone	400
Savings	900

a. Calculate the TOTAL INCOME. _____

b. Calculate the TOTAL EXPENSES. _____

c. Is it a surplus or a shortfall? Calculate the amount. _____

3.3 Explain the difference between a PROFIT and a LOSS. **(2)**

_____

_____

_____

Section D

4 Application

30 marks

4.1 Thabo owns a bicycle worth R2 500, a cellphone worth R1 800 and R700 in savings. He owes his brother R400. **(8)**

a. Calculate the total value of what he owns.

_____

_____

b. How much does he owe? _____

c. Calculate his net worth.

_____

_____

d. Name THREE ways he could increase his net worth.

4.2 Name THREE services a bank provides to ordinary people. **(3)**

4.3 Give TWO causes of inequality between rich and poor people in South Africa. Then explain how education and skills can help to reduce inequality. **(4)**

4.4 A business has income of R48 000 and expenses of R52 500. Calculate the result and say whether it is a profit or a loss. **(3)**

4.5 Use a bakery as an example. Name ONE input, describe the process and name ONE output. Then explain how technology could improve the process. **(6)**

4.6 Explain why a business needs a BUDGET. Give THREE reasons. **(6)**

5 The economy: businesses and growth

14 marks

5.1 Write next to each business whether it is FORMAL or INFORMAL. **(4)**

Business	Formal / Informal
A supermarket with a VAT number	
A woman selling vetkoek at the taxi rank	
A registered plumber with a contract	
A boy washing cars in the street	

5.2 Name ONE advantage and ONE disadvantage of an INFORMAL business. Explain the disadvantage. **(3)**

5.3 Explain what is meant by ECONOMIC GROWTH. **(3)**

5.4 Explain what PRODUCTIVITY means and how higher productivity helps a country's economy to grow. **(4)**

6 Savings and banks

12 marks

6.1 Give TWO reasons why people save money. **(2)**

6.2 Name THREE things a learner needs to open a savings account at a bank. **(3)**

6.3 What is a community savings scheme (stokvel), and how does it work? **(3)**

6.4 Lerato saves R150 a month for 8 months. The bank adds R36 interest. How much does she have altogether? Show your working. **(4)**

7 Income and expenses

7 marks

7.1 What is INCOME? **(1)**

7.2 Write INCOME or EXPENSE next to each item for a household. **(4)**

Item	Income / Expense
Salary	
Electricity bill	
Child grant	
School fees	

7.3 Name TWO types of income a business can receive. **(2)**

_____

_____

Total **93 marks**



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