Economic and Management Sciences · Grade 7

Memorandum · Term 3–4

TOTAL 70 MARKS

Marking guidelines

1. Award the full mark for a correct answer, even if the learner words it differently.
2. For calculations, award method marks even if the final answer is wrong.
3. Where a question asks for an own suggestion or opinion, award the mark for any answer with a sensible reason.
4. Where a question asks for two or more items, award one mark per correct item.
5. Accept an amount with or without the R sign, as long as the figure is correct.

Question	Answer	Marks	Marking note
QUESTION 1 · Short questions · 6 marks			
1.1	c. starts a business and carries the risk	**1**	
1.2	a. rent of the shop	**1**	
1.3	b. tell customers about a product and persuade them to buy	**1**	
1.4	b. I want to sell 50 biscuits at the market on Friday.	**1**	
1.5	a. threats	**1**	
1.6	b. R15	**1**	
QUESTION 2 · The entrepreneur · 12 marks			
2.1	She spots opportunities; she takes calculated risks; she is hard-working and persistent; she can plan and organise; she keeps good records; she does not give up after a setback.	**4**	*1 mark per point.*
2.2	It is a need in the market that is not yet met — something people need but cannot easily get. The entrepreneur spots it and fills the gap.	**3**	*1 mark per point.*

Question	Answer	Marks	Marking note
2.3	Too few customers to cover costs; equipment breaking; competitors offering cheaper; customers not paying; rising material costs.	**3**	*1 mark per point.*
2.4	Any two: a commercial bank (business loan); the National Youth Development Agency (NYDA); SEDFA, the Small Enterprise Development and Finance Agency (formerly SEDA and SEFA); the Industrial Development Corporation (IDC); a micro-lender or micro-finance organisation; a community savings scheme (stokvel).	**2**	*1 mark each. Accept SEDA or SEFA (the old names).*
QUESTION 3 · Cost, price and profit · 12 marks			
3.1	Fixed costs stay the same no matter how much is made — for example rent. Variable costs rise or fall with the quantity — for example material per item.	**4**	*1 mark per point.*
3.2	Total expenditure: 80 + 30 + 40 = R150 (1). Profit: 450 − 150 (1) = R300 (1).	**3**	*Method mark for 450 minus the learner's own total.*
3.3	Reasons, any two (1 each): to know how much money is needed to buy stock; not to spend more than they have; to work out a selling price that gives a profit; to see whether they need to borrow money; to compare the plan with what really happened. Recycled material (1): e.g. make price boards or decorations from old cardboard boxes; use clean glass jars or tins as containers; make bags from old newspaper.	**3**	*1 mark per point.*
3.4	If the cost per item is higher than the price, the business loses money on every sale — the more it sells, the bigger the loss.	**2**	*1 mark per point. Also accept: total costs (e.g. high rent/fixed costs, waste) are higher than total income.*
QUESTION 4 · Case study · 30 marks			
4.1	3 × 40 = 120 biscuits; 120 × 8 = R960	**3**	*1 mark per point.*
4.2	Ingredients: 3 × 120 = R360; packaging: 120 × 1 = R120; table rent: 3 × 60 = R180; total = R660	**4**	*1 mark per point.*
4.3	960 − 660 = R300	**2**	*1 mark per point.*
4.4	Fixed: the table rent of R60 a day. Variable: the ingredients and the packaging — they rise with every biscuit.	**3**	*1 mark per point.*

Question	Answer	Marks	Marking note
4.5	Advantage (2): more profit per biscuit — R2 × 120 = R240 extra a month. Risk (2): customers may buy fewer biscuits, or buy from someone cheaper.	**4**	*1 mark per point.*
4.6.1	Any two: a poster; the school newsletter; an announcement at assembly; a WhatsApp group; word of mouth.	**2**	*1 mark per point.*
4.6.2	Any two: it must be honest; it must be clear and easy to read; it must say what the product is and what it costs; it must reach the right people.	**2**	*1 mark per point.*
4.6.3	Learner's own advertisement, e.g. NALEDI'S BISCUITS – fresh and crunchy! Only R8 each at the school market. Get yours before they're gone!	**4**	*1 mark for a heading, 1 for the product, 1 for the price or where to buy, 1 for a persuasive phrase.*
4.7	Strength, e.g. she bakes well or sells out (1); weakness, e.g. she can only sell on market days (1); opportunity, e.g. selling at school or taking orders (1); threat, e.g. another seller or rising ingredient prices (1). 1 mark for the choice and 1 for a sensible reason (2).	**6**	*1 mark per point.*
QUESTION 5 · Achieving goals · 1 mark			
5.1	Any one: make a step-by-step plan; set a deadline; check her progress regularly (keep records); ask for advice or help; keep going after setbacks.	**1**	
QUESTION 6 · Urban and rural challenges · 2 marks			
6.1	Rural, any one (1): few jobs; long distances to clinics, schools and shops; poor roads and little transport; no electricity or running water in some areas; drought harms farming. Urban, any one (1): overcrowding and informal settlements; unemployment and competition for jobs; crime; pollution; high cost of housing and transport.	**2**	*1 mark each.*
QUESTION 7 · Socio-economic inequality · 2 marks			
7.1	When some people in a country have far more income, work, education and services than others, so that their standards of living are far apart.	**2**	*1 mark for the difference, 1 for standard of living.*

Question	Answer	Marks	Marking note
QUESTION 8 · Reducing poverty and inequality · 5 marks			
8.1	Ways: free or cheap education and health care; grants such as the child grant and pension; housing, water and electricity; job creation and training. Explanation, for example: the child grant gives a family cash each month for food and school clothes, so the child can stay in school instead of going to work.	**5**	*3 marks for the ways, 2 for the explanation.*

Total **70 marks**



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