Economic and Management Sciences · Grade 7

Entrepreneurship and the Economy

Term 3–4 | 8 questions | CAPS-aligned

TOTAL 70 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 2 of 2 of the Grade 7 November exam. It covers the work of Term 3 and Term 4. Test 1 covers The economy and Financial literacy from the whole year.

Question	Content of the question	Marks	Obtained
1	Short questions	6	
2	The entrepreneur	12	
3	Cost, price and profit	12	
4	Case study	30	
5	Achieving goals	1	
6	Urban and rural challenges	2	
7	Socio-economic inequality	2	
8	Reducing poverty and inequality	5	
	Total	70	
	Percentage		%

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Section A

1 Short questions

6 marks

Choose the correct answer and circle the letter.

1.1 An entrepreneur is someone who: **(1)**

(a) works for a company (b) borrows money from a bank (c) starts a business and carries the risk

1.2 Which one is a FIXED cost? **(1)**

(a) rent of the shop (b) material per item (c) packaging per item

1.3 The main purpose of ADVERTISING is to: **(1)**

(a) pay tax (b) tell customers about a product and persuade them to buy (c) keep the books

1.4 Which goal is SPECIFIC and can be MEASURED? **(1)**

(a) I want to sell more biscuits. (b) I want to sell 50 biscuits at the market on Friday. (c) I want my business to be the best.

1.5 In a SWOT analysis, the S, W and O stand for strengths, weaknesses and opportunities. The T stands for: **(1)**

(a) threats (b) tax (c) turnover

1.6 If a product costs R40 and sells for R55, the profit per item is: **(1)**

(a) R40 (b) R15 (c) R95

Section B

2 The entrepreneur

12 marks

2.1 Name FOUR qualities of a successful entrepreneur. **(4)**

2.2 Explain what an OPPORTUNITY means in business. **(3)**

2.3 Name THREE RISKS a small business faces. **(3)**

2.4 Name TWO financial institutions or organisations that help entrepreneurs with money or support to start a business. **(2)**

Section C

3 Cost, price and profit

12 marks

3.1 Explain the difference between FIXED and VARIABLE costs, with an example of each. **(4)**

3.2 The Grade 7 class sold popcorn on Entrepreneur's Day. Complete their income and expenditure statement: calculate the total expenditure and the profit. **(3)**

Entrepreneur's Day: income and expenditure	Amount (R)
INCOME: sales of popcorn	450
EXPENDITURE: popcorn kernels	80
EXPENDITURE: cooking oil and salt	30
EXPENDITURE: paper bags	40
Total expenditure	
Profit	

3.3 Give TWO reasons why the class must draw up a budget before Entrepreneur's Day, and name ONE way to use recycled material to keep costs low. **(3)**

3.4 Explain why a business can make a LOSS even if it sells a lot. **(2)**

Section D

4 Case study

30 marks

SOURCE A · NALEDI'S BISCUITS

Naledi is in Grade 7. She bakes biscuits and sells them at the school market. The ingredients for a batch of 40 biscuits cost her R120. Packaging costs R1 per biscuit. She rents a table at the market for R60 a day. She sells each biscuit for R8. In her first month she baked 3 batches and sold everything over 3 market days.

4.1 Calculate her TOTAL INCOME for the month. **(3)**

4.2 Calculate her TOTAL COSTS for the month. **(4)**

4.3 Calculate her PROFIT. **(2)**

4.4 Which of her costs are FIXED and which are VARIABLE? **(3)**

4.5 Naledi wants to raise her price by R2 a biscuit. Give ONE advantage and ONE risk. **(4)**

4.6.1 Naledi wants to ADVERTISE her biscuits. Name TWO media she can use at school. **(2)**

4.6.2 Name TWO principles of a good advertisement. **(2)**

4.6.3 Write a short advertisement for her biscuits. **(4)**

4.7 Do a SWOT analysis for Naledi's business: name ONE strength, ONE weakness, ONE opportunity and ONE threat. Then say which ONE she should act on first, and why. **(6)**

5 Achieving goals

1 mark

5.1 Name ONE thing an entrepreneur can do to make sure that she ACHIEVES her goal. **(1)**

6 Urban and rural challenges

2 marks

6.1 Name ONE challenge that people in RURAL areas face and ONE challenge that people in URBAN areas face. **(2)**

7 Socio-economic inequality

2 marks

7.1 What does SOCIO-ECONOMIC INEQUALITY mean? **(2)**

8 Reducing poverty and inequality

5 marks

8.1 Name THREE ways a government tries to reduce poverty and inequality, and explain how ONE of them helps a family directly. **(5)**

Total **70 marks**



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