



Noah's Ark Independent Primary School

Subject: EMS	Examiner: Dugunye, G.
Type: End of Year Exam	Moderator: Rwizi, A
Date: 2/ November 2019	Grade: 7
Marks: 150 Marks	Time: 2 hr30 minutes

Name: _____

Instructions:

Answer ALL the questions in the spaces provided.

Write neatly and legibly

Carefully read all questions before answering

Section A: All topics

1. Circle the correct answer for each of the following cases. (10)

1.1 Which of the following is a social grant?

- a. Government pension
- b. A skills levy
- c. Income tax

1.2 Which of the following is not an expense?

- a. Stationery
- b. Water and electricity
- c. Vehicle

1.3 The poverty cycle starts with...

- a. No money, no education
- b. No job
- c. Lack of skills, no job

1.4 Pule has R 380 in his account. He withdraws R50 and his account charges R5. How much is left in his bank account?

- a. R380
- b. R335
- c. R325

1.5 A plan of how to spend future income is called ...

- a. Profit loss
- b. Budget
- c. Planning

2. Match the words in column A to the correct meaning in column B. Answer in the space provided. (10)

Column A	Answer	Column B
Non-renewable resources		a. It is paid to the government by businesses and people who earn an income.
Barter		b. The things that people cannot live without.
Dividends		c. Surplus after expenses have been taken into account.
Income tax		d. To exchange goods for other goods without the use of money.

Needs		e. Coal, oil, gas, copper and diamonds.
		f. Company profits given to share holders.

3. State whether the following statements are true or false. (10)

3.1 Formal businesses only refer to businesses that are registered to SAPS (South African Police Service)

3.2 The money that a business uses on a day to day basis is known as fixed capital. -----

3.3 The telephone is an example of expenses in the running of a business. -----

3.4 Capital is the money used to start a business and also money invested in machinery, vehicles and equipment so that goods can be made and sold. -----

3.5 Market research is only done by large businesses as it is expensive. -----

4. Choose the correct word from the underlined words in the paragraph below. Write only the correct word in the space provided. (10)

Capital is used to purchase 4.1 Assets/ liabilities and pay 4.2 income/expenses to get the business running. At the end of a specific period of time, usually a year, the owner will draw up 4.3 income statement/ net worth to calculate whether the business has made a profit or loss. If the owner has to take a loan for the business from the bank, this will be identified as a 4.4 asset/ liability. A business should use a 4.5 cash budget/ statement of net worth to estimate the businesses worth.

4. Write a paragraph on the role of money in the economy. Briefly describe the history, the development and the future of money as we know it today. (5)

Section C: Financial liberty

1. Read the case study below and answer the questions that follow.

Case study: Stokvels help many people to save

Today stokvels meet a range of lifestyle needs. People set them up to pay for groceries, holidays abroad, birthday parties, businesses, a deposit on a car, or schooling and university fees for their children.

A recent study conducted by market research company African response revealed that 47% of the South African population belongs to a stokvel. Managing Director Mamapudi Nkgadima says their study shows that there are 811 830 stokvels, with 11.4 million members and a total estimated fund value of R44 billion.

Eunice Sibiya, FNB's Consumer Education Program manager says: "There will always be a need for stokvels especially in our culture. I know of people who've achieved their degrees from stokvel money. Their mothers would have been domestic workers and saved like no body's business, with dreams of their children going to university. People have also managed to start businesses from stokvel money."

Increasingly, stokvels have found their place among the youth, says Motshegoa. "Some may no longer have their parents around. Perhaps some have had to become parents overnight to take care of their siblings. So they need that stability," a black consumer insights agency.

“It is also a disciplined way of saving because they are accountable to other people.”

Nkgadima says parents are also making a point of inviting their children to join stokvels.

The youth have realised that they can do things differently from their parents. While parents belong to a burial society, younger members may instead join birthday or investment stokvels and see it as “I can put down a deposit for a car”.

As stokvels have evolved, so too has the safekeeping of money, with members now using bank accounts and electronic transfers, says Sibiya. It is a nest egg that is not sitting at home, where it can be stolen or destroyed in a fire. It is somewhere safe. And if there is a crisis, the money is easily accessible.

The nature and beauty of stokvels is that it encourages savings, something former finance minister Trevor Manuel always emphasised South Africans needed to do to boost the country’s economic growth, says Sibiya. “We’re really lacking badly in savings in South Africa. I think stokvel accounts make up for it. It encourages a saving culture and instils discipline.”

But there are some things that work against mainstream banks, argues Motshegoa. When someone dies, stokvels are more approachable and the turn-around time is quicker. Banks need a death certificate as proof. Stokvels don’t need the paperwork- they know the person who has died and understand that families are grieving.

“Banks also don’t offer friendship, brotherhood and community. With stokvels, people chat and know more about each other’s lives,” explains Motshegoa. “Stokvels are about more than just money. They are about coming together.

1.1 Explain why it is important for people to try and save money? (2)

1.2 Give two examples from the case study that shows how stokvel have helped improve the lives of people. (4)

1.3 According to the case study, describe how stokvels differ from main stream banks. (3)

1.4 Suggest two reasons why people struggle to save. (4)

2. Use the following information to calculate the net worth: (15)

Statement of net worth : On June 2019, Mr and Mrs Smith worked out what the family was worth: A house worth R 950 000; electrical applications worth R 45 000, furniture worth R80 000; Johan has a computer and printer worth R 13 400; Tom has an i-pod worth R1 500; a caravan worth R 85 000 and four mountain bikes worth R10 000 in total R128 000 in their current bank account, a family car worth R280 000 but they still owe R200 000 on the car. They also owe R12 700 on their credit card.

Statement of Net Worth for the Smith Family as at June 2018

Assets		
Liabilities		
Net worth		

Net worth Calculation:

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3. Income and expenses:

In October 2016, the Jacobs family had the following income and expenses:

Salary earned by Mr Jacobs	R10 100	Rent paid	R5 200
Transport and fuel costs	R780	Entertainment	R3 000
Children's pocket money	R400	School fees	R700
Money earned from savings	R300	Bank charges	R150
Profit earned from Mr Jacobs' plumbing business	R12 000	Domestic worker	R3 400
Water and electricity	R900	Cell phone costs	R1 000
Rent received for outside room	R450	Groceries	R5 000
Telephone and internet costs	R2 200		


3./ Calculate their total income for October. (2)

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3.2 Calculate their total expenses for October. (6)

3.3 Give two suggestions of something they can do to decrease their expenses or their income. (4)

4. Read the following source and answer the questions that follow.



NEDBANK IS GETTING KIDS TO SAVE!

The best way to teach a person how to save money is to start at a young age. Nedbank launched three new accounts for children and teenagers.

A. Nedbank 4me

A transactional account for children under the age of 16 years. The account has no monthly management fee and it pays 2% interest yearly.

1. Requires an opening balance of R10 and parents need to go to the bank with their children to open this account.
2. The account comes with a debit card that can be used at Nedbank ATMs.
3. Cash withdrawals are free for the first R100 and a R1 charge on 25 transactions thereafter.
4. Mobile banking to check balances as well as SMS notifications are free.

What to bring along when opening an account at a bank:

1. The child's birth certificate and a parent or legal guardian's identity book.
2. The parent must go with the child to the bank.
3. Parents must register their child for e-note and internet banking.
4. Parents must ensure that the child is registered for SMS notification.

4.1 What should you bring to open an account at Nedbank?(2)

4.2 How much interest will you earn yearly? (1)

4.3 Would you consider opening an account at Nedbank?
Justify your answer. (3)

4.4 What do you understand about internet banking? (2)

4.5 How old should you be to open an account? (1)

4.6 Name one other financial institution you know. (1)

4. Discuss how needs and wants of consumers influence the development of a business. (4)

5. Jenny is a young entrepreneur who employs three ladies to help her make quilts for stores in town. Currently she sells directly to stores but her dream is to open her own shop one day.

5.1 Advice on the importance of advertising in setting up her shop. Include factors such as advertising media, needs and wants of customers and costs. (6)

5.2 Suggest how goal setting could help Jenny achieve her dream of eventually opening her own shop. (6)

_____ / 150 Marks