



Noah's Ark Independent Primary School

Subject: E.M.S	Examiner: Dugunye, G.
Type: End of 3 rd Term Assmt.	Moderator: Rwizi, A.
Date: 9 September 2019	Grade: 7
Marks: 100 Marks	Time: 2 hrs

Name: _____

Instructions:

Answer ALL the questions in the spaces provided.

Write neatly and legibly

Carefully read all questions before answering

Section A.

1. Fill in the missing word in each sentence. (5)
 - 1.1 Entrepreneurs who start their own business have recognisable characteristics and _____.
 - 1.2 An entrepreneur must identify new _____.
 - 1.3 A new business owner needs to know how to set and achieve _____.
 - 1.4 A SWOT analysis helps you to do _____ for your business.
 - 1.5 When some people have something that other people do not have, there is _____.

2. Indicate if the following sentences are true or false. (5)

- a. Entrepreneurs try to make as much profit as they can to do this they try to minimise income and maximise expense of the business. _____
- b. Recycling is the act of breaking waste materials down and reforming it into something useful. _____
- c. Fixed cost are those costs that a business pays no matter how many goods it produces. _____
- d. A budget surplus refers to a situation in which the money paid is more than the money received. _____
- e. An income and expenditure statement is used to calculate whether a business has produced a profit or not. _____

3. Look at the table below. Classify the businesses under goods and services in terms of their product offering and describe briefly the needs or wants met by the goods or services offered. (10)

Businesses	Goods or service	Need or want?
Best jewellers		
Tiny Tots Day care centre		
Riverside Medical Centre		
Fresh fruit store		
Motor repair workshop		

Section B

1. Look at the cartoon and answer the questions that follow.



- a. Explain why the young man in the cartoon would be considered an entrepreneur. (2)

- b. The cartoon shows an entrepreneur performing the selling function. Name two other actions performed by an entrepreneur. (2)

- c. Identify the needs the entrepreneur in the picture above is trying to satisfy. (4)

2. Read the paragraph and then answer the questions that follow.

Kelvin is very good at working with leather. He decided to start a new small business which makes and sells leather wallets for men to keep their money in. He has determined that the leather and other raw materials for each wallet will cost him R 10. The equipment he will need to purchase will cost him R200 and he plans to spend a further R 400 on advertising. Kelvin knows that he has the time to produce 100 wallets although he is not sure if he will be able to sell all of the goods he produces.

a. Identify which of Kelvin's costs are fixed costs and which are variable costs. (4)

b. Calculate the unit cost (cost price) of producing 100 wallets. (4)

c. Suppose that Kelvin decided to increase production to 200 wallets. Explain what effect this would have on the unit cost of each wallet he produces. (4)

3. Explain the difference between a need and a want. Give two examples of each. (4)

4. Name four characteristics of an entrepreneur. (4)

5. Look at the problem that certain communities are experiencing. Think of some business ideas to meet these communities needs. (12)

Problem	Community's needs	Business ideas to satisfy the need.
<p>Children leave school in the early afternoon and play around in the streets and get into trouble. They do not do their homework. Most of the parents in this community are working, however there are many retired people living in the community.</p>		
<p>This rural community is often unable to take drinking and cooking water from the local dam because people wash clothes in it.</p>		
<p>Many parents work late. Young children are eating unhealthy food and often go without a proper lunch.</p>		

Section C

1. Discuss what the following terms mean briefly. (4)

a. The poverty line

b. The poverty cycle

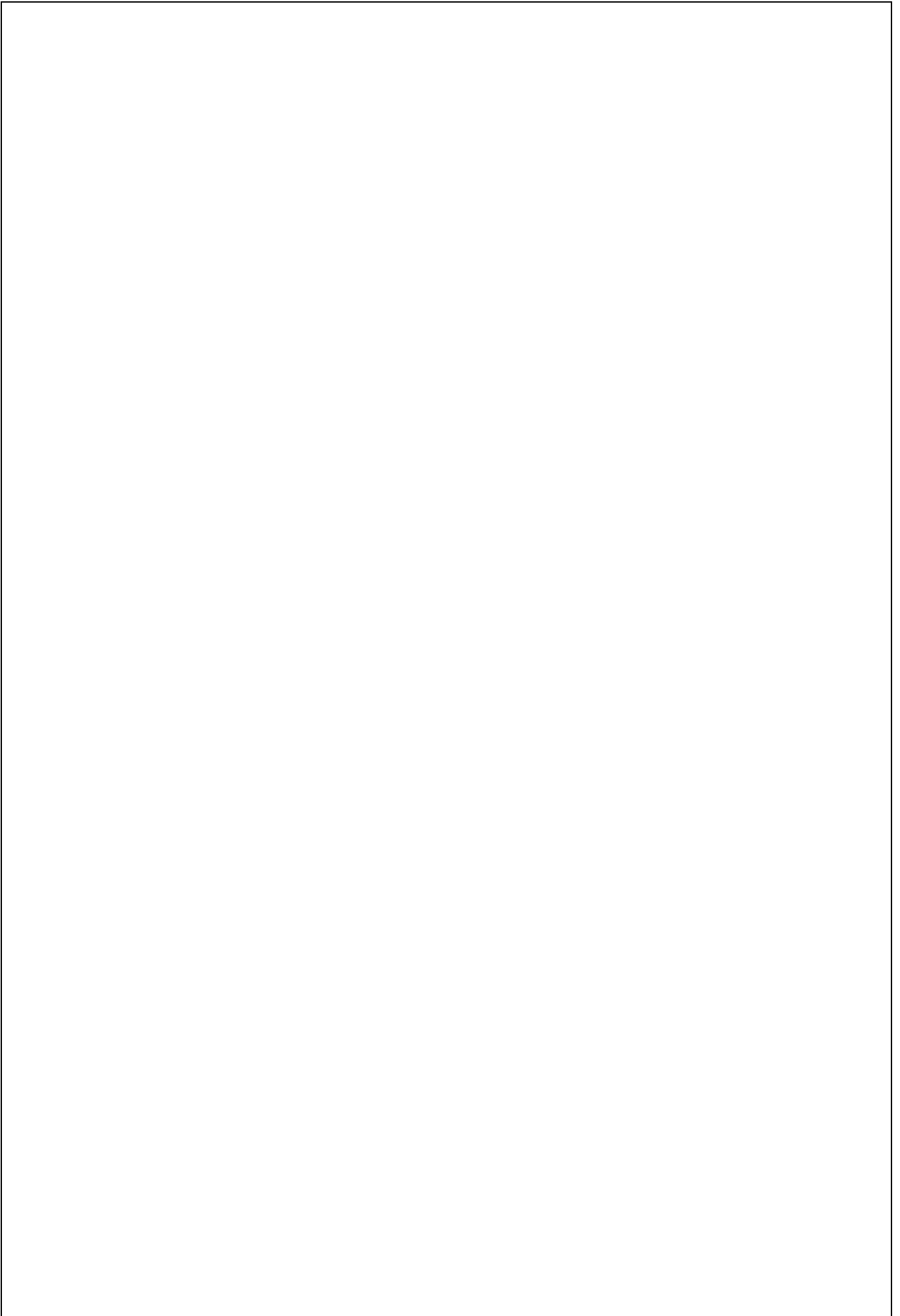
2. Give three examples of challenges faced by the poor in Urban areas. (3)

3. Give a brief summary of causes of Socio-economic imbalances in South Africa. (3)

4. Write a paragraph in which you evaluate what social inequality is and what the causes are. Suggest one strategy for overcoming social inequality in South Africa. (8)

5. Design a flyer for a business selling beds using AIDA principle for advertising. (10)

Criteria	Possible mark	Actual mark
Attention- advert is attractive enough to draw attention.	2	
Interest- once attention has been caught, advert needs to keep interest of target market.	2	
Desire- The advert makes the target market want the product.	2	
Action- The advert must then lead the person to buy the product.	2	
Effort and creativity.	2	
Total	10	



6. Read about the new business that Cecilia Mojela wants to start and do a SWOT analysis for her so that she will know what to focus on next. (12)

Mojela's Rides

Cecilia Mojela wants to start her own transport business. Two years ago she bought a van and got her driver's license. She has moved to an area where there are many people who need transport to school and to the bus and train stations. Cecilia now has enough money to buy another van and employ another driver. The person who she employs though has to be special. Cecilia wants someone who has the qualities needed to succeed in business and who will help the business grow further. But she is unsure about how to find this trustworthy person. Cecilia is concerned about the increasing petrol prices and how to insure her vehicle. Her nephew is studying EMS and he is willing to help out. She is also unsure about how to work out what to charge her customers. The people in her community complain that the few taxis around are very expensive.

Strength	Weaknesses
Opportunities	Threats

_____ / 100 Marks