

# SMARTWIZ

## GRADE 9 EMS EXAM

**MARKS: 80**

MARKS	

**TIME: 2 hours**

**SCHOOL** \_\_\_\_\_

**CLASS (e.g. 4A)** \_\_\_\_\_

**SURNAME** \_\_\_\_\_

**NAME** \_\_\_\_\_

MYST PATHWORKS

### Instructions for Students:

- > Read all instructions carefully before beginning the exam.
- > Write your name and student ID clearly on the answer sheet/booklet.
- > Answer all questions unless otherwise stated.
- > Show all your work/calculations where applicable.
- > Write clearly and legibly.
- > Use blue or black ink only. \* Do not use correction fluid/tape.
- > No electronic devices (calculators, phones, etc.) are allowed unless explicitly permitted.
- > Raise your hand if you have any questions.
- > Do not talk to other students during the exam.
- > Any form of cheating will result in disqualification.

**This test consists of 8 pages, excluding the cover page.**

## SECTION A: BUSINESS ENVIRONMENTS (25 MARKS)

### QUESTION 1: BUSINESS OPERATIONS (10 marks)

1.1 What is the primary goal of a business?

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1.2 Differentiate between goods and services with examples.

Goods: \_\_\_\_\_

Services: \_\_\_\_\_

1.3 Explain what a **franchise** is.

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1.4 Identify two advantages and two disadvantages of franchising.

Advantages:

a) \_\_\_\_\_

b) \_\_\_\_\_

Disadvantages:

a) \_\_\_\_\_

b) \_\_\_\_\_

### QUESTION 2: BUSINESS FUNCTIONS (15 marks)

2.1 What is the role of marketing in a business?

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2.2 List three marketing activities businesses use to attract customers.

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

2.3 Explain the importance of customer service in a business.

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2.4 What is stock management and why is it important?

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## SECTION B: FINANCIAL LITERACY (30 MARKS)

### QUESTION 3: BUDGETING (15 marks)

3.1 Define the term **budget**.

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3.2 What are fixed and variable costs? Provide an example of each.

Fixed cost: \_\_\_\_\_

Variable cost: \_\_\_\_\_

3.3 Why is it important for a business to keep financial records?

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3.4 Explain the difference between profit and loss.

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### QUESTION 4: SOURCES OF FINANCE (15 marks)

4.1 Name three different sources of finance that businesses can use.

a) \_\_\_\_\_

b) \_\_\_\_\_

c) \_\_\_\_\_

4.2 What is the difference between debt and equity finance?

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4.3 Describe two risks associated with borrowing money for a business.

a) \_\_\_\_\_

b) \_\_\_\_\_

4.4 Why might a business choose equity finance over debt finance?

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## SECTION C: CONSUMER EDUCATION (25 MARKS)

### QUESTION 5: CONSUMER PROTECTION (15 marks)

5.1 What is the Consumer Protection Act (CPA) and why is it important?



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5.2 List three rights consumers have under the CPA.

- a) \_\_\_\_\_  
b) \_\_\_\_\_  
c) \_\_\_\_\_

5.3 What should a consumer do if they receive faulty goods?

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5.4 Explain the concept of **warranty**.

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### QUESTION 6: ENTREPRENEURSHIP (10 marks)

6.1 What is a **business plan** and why is it important for entrepreneurs?

6.2 Name three key sections of a business plan.

- a) \_\_\_\_\_  
b) \_\_\_\_\_  
c) \_\_\_\_\_

6.3 How can innovation help a business to succeed?

**TOTAL : 80**

## **MEMO**

### **SECTION A: BUSINESS ENVIRONMENTS (25 Marks)**

#### **QUESTION 1: BUSINESS OPERATIONS (10 marks)**

1.1

- The primary goal of a business is to make a profit. ✓✓

1.2

- Goods are physical products that can be touched (e.g., a book).
- Services are activities done for others (e.g., haircut). ✓✓

1.3

- A franchise is a business that uses the name, brand, and model of an established company in exchange for fees or royalties. ✓✓

1.4

Advantages:

- a) Established brand recognition
- b) Training and support from franchisor

Disadvantages:

- a) Franchise fees and royalties
- b) Less control over business decisions ✓✓✓✓

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#### **QUESTION 2: BUSINESS FUNCTIONS (15 marks)**

2.1

- Marketing promotes and sells products or services to customers. ✓✓

2.2

- a) Advertising
- b) Sales promotions
- c) Market research ✓✓✓

2.3

- Good customer service keeps customers happy, encourages repeat business, and builds a good reputation. ✓✓

2.4

- Stock management is controlling inventory levels to ensure there is enough stock to meet demand without excess. It is important to avoid lost sales or excess storage costs. ✓✓
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## **SECTION B: FINANCIAL LITERACY (30 Marks)**

### **QUESTION 3: BUDGETING (15 marks)**

3.1

- A budget is a plan that estimates income and expenses over a period of time. ✓✓

3.2

- Fixed costs do not change with sales volume (e.g., rent).
- Variable costs change with sales volume (e.g., raw materials). ✓✓

3.3

- Keeping financial records helps track income and expenses, control costs, and prepare financial reports. ✓✓

3.4

- Profit occurs when income is more than expenses.
  - Loss occurs when expenses are more than income. ✓✓
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### **QUESTION 4: SOURCES OF FINANCE (15 marks)**

4.1

- a) Bank loans
- b) Personal savings
- c) Investors ✓✓✓

4.2

- Debt finance is borrowed money that must be repaid with interest.
  - Equity finance is money invested in exchange for ownership in the business. ✓✓
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4.3

- a) Interest payments increase costs.
- b) Risk of losing assets if unable to repay loan. ✓✓

4.4

- Equity finance does not require repayment and reduces the risk of debt. ✓✓

## SECTION C: CONSUMER EDUCATION (25 Marks)

### QUESTION 5: CONSUMER PROTECTION (15 marks)

5.1

- The CPA protects consumers from unfair business practices and ensures product safety and quality. ✓✓

5.2

- a) Right to fair value and quality
- b) Right to privacy
- c) Right to fair treatment ✓✓✓

5.3

- Consumers should return faulty goods to the seller and request repair, replacement, or refund. ✓✓

5.4

- A warranty is a written guarantee that a product will be repaired or replaced if faulty within a specified period. ✓✓

### QUESTION 6: ENTREPRENEURSHIP (10 marks)

6.1

- A business plan is a written document outlining the business idea, goals, and how it will operate. It helps guide the business and attract investors. ✓✓

6.2

- a) Executive summary
- b) Marketing plan
- c) Financial plan ✓✓✓

6.3

- Innovation helps a business stand out from competitors and meet customer needs better, increasing chances of success. ✓✓

**TOTAL : 80**

