

SMARTWIZ

GRADE 7 EMS EXAM

MARKS: 80

MARKS	
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TIME: 1 hour 30 minutes

SCHOOL _____

CLASS (e.g. 4A) _____

SURNAME _____

NAME _____

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 6 pages, excluding the cover page.

SECTION A: THE ECONOMY AND MARKETS (20 MARKS)

1. Define the following terms:

a) Economy

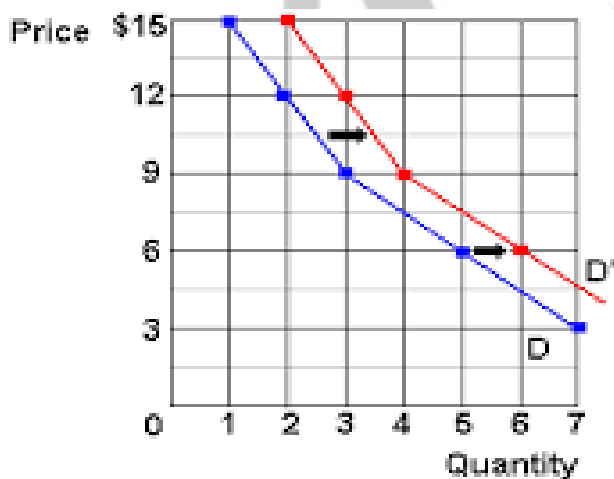
b) Demand

(4)

2. Explain what supply and demand mean in a market.

(2)

3. Study the graph below and answer the questions that follow:



a) What does the graph show about the relationship between price and demand?

b) What happens when prices go too high?

(4)

4. Name any two types of markets and give an example of each.

a) _____ Example: _____

b) _____ Example: _____

(4)

5. Why is it important for businesses to understand market demand?

(2)

6. What is the role of advertising in influencing market trends?

(2)

SECTION B: ENTREPRENEURSHIP AND PRODUCTION (20 MARKS)

7. What is meant by "natural resources"? Name two examples.

Definition:

Examples: _____ and _____

(3)

8. Match the factor of production to its correct example:

Factor of Production	Example
a) Labour	1. Land used for crops
b) Capital	2. Tools and machinery
c) Land	3. Workers in a business

a) _____

b) _____

c) _____

(3)

9. Identify three reasons why small businesses are important in South Africa.

(3)

10. Read the business idea and answer the questions:

Thando wants to open a fruit juice stand outside her school. She plans to sell fresh juice every afternoon and use recyclable cups.

a) What product is Thando offering?

b) What is one strength of her idea?

c) Suggest one challenge she might face.

(6)

11. What does it mean to take a "calculated risk" in business?

(2)

SECTION C: FINANCIAL LITERACY (25 MARKS)

12. Fill in the missing words:

a) A _____ is money received regularly for work.

b) An _____ is money spent on goods or services.

(2)

13. Complete the table below:

Description	Fixed/Variable Expense
Rent	_____
Electricity	_____
Entertainment	_____

(3)

14. Create a simple monthly budget from the following:

Income: R2 000

Expenses:

- Transport: R400
- Food: R700
- Airtime: R200
- Savings: R300

a) What is the total expenditure? _____

b) How much is left after expenses? _____

(4)

15. What are the two main purposes of saving money?

(2)

16. State whether the following are income or expenses:

- a) Buying new shoes _____
- b) Receiving birthday money _____
- c) Paying for a school trip _____

(3)

17. Calculate the profit or loss:

Lebo buys ingredients for R100 and sells homemade biscuits for R160.

(2)

18. What is a financial goal? Give one example.

Example: _____

(3)

SECTION D: PERSONAL FINANCIAL DECISIONS (15 MARKS)

19. Explain the difference between short-term and long-term goals. Provide one example of each.

(4)

20. Why is it important to keep financial records?

(2)

21. Name three places where people can save their money safely.

(3)

TOTAL: 80 MARKS



MEMO

SECTION A: THE ECONOMY AND MARKETS (20 MARKS)

1. **Define the following terms:**

- a) Economy: The system by which goods and services are produced, distributed, and consumed in a society. (2)
- b) Demand: The willingness and ability of consumers to buy a product at a specific price. (2)

2. **Explain what supply and demand mean in a market:**

- Supply refers to the quantity of a product that producers are willing to sell at a given price.
- Demand refers to the quantity of a product that consumers are willing to buy at a given price. (2)

3. **Graph-based questions:**

- a) The graph shows that as the price decreases, demand increases. (2)
- b) When prices go too high, consumers buy less, and demand decreases. (2)

4. **Two types of markets and examples:**

- a) Goods market – Example: Grocery store (2)
- b) Service market – Example: Barber shop (2)

5. **Importance of understanding market demand:**

Businesses need to know market demand to ensure they produce or stock what customers want to buy. (2)

6. **Role of advertising:**

Advertising creates awareness and persuades consumers to buy products, influencing demand. (2)

SECTION B: ENTREPRENEURSHIP AND PRODUCTION (20 MARKS)

7. **Natural resources:**

Definition: Materials from nature used in production. (1)

Examples: Coal and water. (2)

8. **Matching factors of production:**

- a) Labour – 3 (1)
- b) Capital – 2 (1)
- c) Land – 1 (1)

9. **Importance of small businesses:**

- a) They create jobs.
- b) They contribute to the economy.
- c) They provide goods and services locally. (3)

10. **Business idea questions:**

- a) Fresh fruit juice. (1)
- b) Strength: It is eco-friendly or convenient. (1)
- c) Challenge: Weather dependency or competition. (1)

11. **Calculated risk:**

Taking a decision where the risks have been carefully considered before acting. (2)

SECTION C: FINANCIAL LITERACY (25 MARKS)

12. Fill in the missing words:

- a) A salary is money received regularly for work. (1)
- b) An expense is money spent on goods or services. (1)

13. Fixed/Variable expenses:

- Rent – Fixed. (1)
- Electricity – Variable. (1)
- Entertainment – Variable. (1)

14. Budget:

- a) Total expenditure: R1 600. (2)
- b) Amount left: R400. (2)

15. Two main purposes of saving money:

- a) To prepare for emergencies.
- b) To reach financial goals. (2)

16. Income or expense:

- a) Buying new shoes – Expense. (1)
- b) Receiving birthday money – Income. (1)
- c) Paying for a school trip – Expense. (1)

17. Profit or loss:

Profit = R160 - R100 = R60. (2)

18. Financial goal and example:

A financial goal is a plan for how you want to save or spend your money. (1)

Example: Saving for a new bike. (2)

SECTION D: PERSONAL FINANCIAL DECISIONS (15 MARKS)

19. Short-term vs. long-term goals:

- Short-term goals can be achieved within a few months, e.g., saving for a book.
- Long-term goals take years to achieve, e.g., saving for university fees. (4)

20. Importance of keeping financial records:

To track expenses and income, avoid overspending, and plan effectively. (2)

21. Places to save money:

- a) Bank.
- b) Savings account.
- c) Credit union or co-operative bank. (3)

TOTAL: 80 MARKS

NAD

MYST PATHWORKS