

# SMARTWIZ

## GRADE 7 EMS EXAM

**MARKS: 80**

MARKS	

**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 3 pages, excluding the cover page.**

## SECTION A: BUSINESS ENVIRONMENTS AND ROLES (20 marks)

1. Define the term **business environment**. (2)

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2. List four factors that can influence a business environment. (4)

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3. Describe two roles of entrepreneurs in the economy. (4)

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4. Explain how technology affects business operations. (4)

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5. Identify one challenge small businesses face in your community and suggest a solution. (6)

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## SECTION B: BUSINESS FINANCE AND BUDGETING (20 marks)

6. What is a **budget**? (2)

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7. Differentiate between **income** and **expenses** with examples. (4)

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8. Complete the table below with the correct information (mark with ✓):

Description	Income	Expense
Salary		
Rent		
Selling goods		
Buying stock		

(4)

9. Why is it important to keep records of income and expenses? (4)

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10. Explain how saving money regularly can help a business. (6)

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### SECTION C: ENTREPRENEURSHIP AND BUSINESS PLANNING (20 marks)

11. What are the key components of a **business plan**? List at least four. (4)

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12. Describe the importance of market research before starting a business. (4)

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13. Explain two risks entrepreneurs face when starting a new business. (4)

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14. Study the advertisement below and answer the questions that follow:

*“Fresh and Tasty!  
Grand Opening of **Sunshine Bakery**.  
Buy one loaf of bread, **get one free!**  
Visit us at 123 Market Street.”*

a) What product is being advertised? (2)

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b) What type of advertisement is this? (2)

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c) Suggest two ways this advertisement could attract more customers. (4)

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## SECTION D: TRADE AND GLOBALIZATION (20 marks)

15. Define **import** and **export**. (4)

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16. Give two reasons why countries trade with each other. (4)

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17. Explain what a **trade barrier** is and give one example. (4)

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18. What is the role of the World Trade Organization (WTO)? (4)

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19. Discuss one advantage and one disadvantage of globalization. (4)

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**TOTAL: 80 MARKS**

# **MEMO**

## **SECTION A: BUSINESS ENVIRONMENTS AND ROLES (20 marks)**

1. **Business environment:**

The surroundings or conditions in which a business operates, including all factors that affect its operation. (2)

2. **Four factors influencing business environment:**

- Economic conditions
- Technology
- Social and cultural factors
- Political and legal factors (4)

3. **Two roles of entrepreneurs:**

- Identify business opportunities and start businesses
- Take risks to make profits and create jobs (4)

4. **How technology affects business operations:**

Technology can improve efficiency, communication, production methods, and marketing of goods and services. (4)

5. **Challenge & solution for small businesses:**

Example: Limited capital (Challenge)

Solution: Seek small loans or support from government programs. (6)

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## **SECTION B: BUSINESS FINANCE AND BUDGETING (20 marks)**

6. **Budget:**

A plan that shows expected income and expenses over a period. (2)

7. **Income vs Expenses:**

- Income: Money received, e.g., salary, sales.
- Expenses: Money spent, e.g., rent, buying stock. (4)

8. **Table completion:**

Description	Income ✓	Expense ✓
Salary	✓	
Rent		✓
Selling goods	✓	
Buying stock		✓

9. **Importance of keeping records:**

- Helps monitor financial status
- Aids in budgeting and decision making

- Useful for tax and legal purposes (4)

**10. Saving money helps a business:**

Saving provides funds for emergencies, expansion, buying new stock, or covering unexpected costs. It also helps ensure sustainability. (6)

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**SECTION C: ENTREPRENEURSHIP AND BUSINESS PLANNING (20 marks)**

**11. Key components of a business plan:**

- Business idea/description
- Market research/target market
- Marketing plan
- Financial plan (4)

**12. Importance of market research:**

To understand customer needs, competition, and market trends, helping the business succeed. (4)

**13. Two risks entrepreneurs face:**

- Financial loss if the business fails
- Uncertainty about customer demand or competition (4)

**14. Advertisement questions:**

- a) Product advertised: Bread / Bakery products (2)
  - b) Type of advertisement: Sales promotion / Promotional ad (2)
  - c) Ways to attract more customers:
    - Use social media marketing
    - Offer more discounts or free samples (4)
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**SECTION D: TRADE AND GLOBALIZATION (20 marks)**

**15. Import:** Goods or services bought from another country.

**Export:** Goods or services sold to another country. (4)

**16. Two reasons for trade:**

- To access products not available locally
- To obtain goods at lower prices or better quality (4)

**17. Trade barrier:**

Anything that restricts or limits trade between countries, e.g., tariffs, quotas. (4)

**18. Role of WTO:**

To regulate international trade, ensure fair trade rules, and resolve trade disputes between countries. (4)

**19. Advantage and disadvantage of globalization:**

Advantage: Access to wider markets and more products.

Disadvantage: Can harm local industries and increase inequality. (4)

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**TOTAL: 80 MARKS**

