

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: ECONOMIC SYSTEMS & CIRCULAR FLOW (20 MARKS)

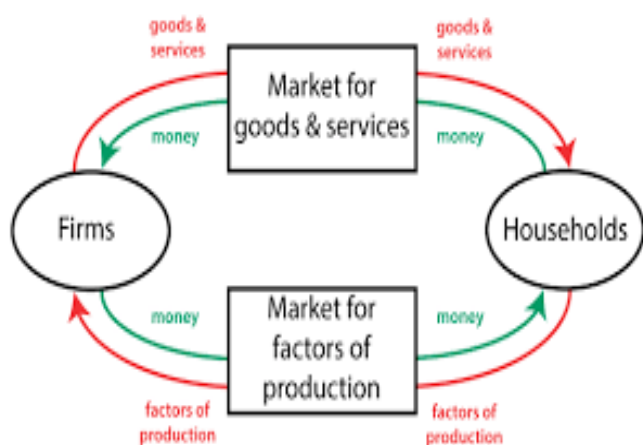
1. Name and briefly describe the three main economic systems.

- a) _____
- b) _____
- c) _____
- (6)

2. Identify two characteristics of a mixed economy.

(2)

3. Study the diagram of the circular flow below and answer the questions that follow:



- a) Who provides labour in the diagram? _____ (1)
- b) What do households receive in return for providing labour? _____ (1)
- c) What do businesses sell to households? _____ (1)
- d) How is money flowing in this model? _____ (2)

4. Why is the circular flow of money important in an economy?

(2)

5. Which sector (private/public) does the government belong to and why?

(2)

SECTION B: ENTREPRENEURIAL SKILLS (20 MARKS)

6. Define the following:

a) Innovation

b) Business plan

(4)

7. List three steps an entrepreneur should follow to start a business.

a) _____

b) _____

c) _____

(3)

8. Study the business scenario and answer the questions:

Zanele started her own business selling handmade soap bars. She noticed customers liked fruity scents, so she changed her product range. She created a social media page and offered delivery.

a) What did Zanele do to adapt her business? _____ (1)

b) Which marketing tool did she use? _____ (1)

c) Name one skill Zanele demonstrated. _____ (1)

d) What could be a weakness of her business? _____ (1)

9. Identify and explain two types of costs a business must manage.

(4)

10. Why is customer feedback important for a business?

(2)

SECTION C: FINANCIAL RECORDS & TRANSACTIONS (25 MARKS)

11. Complete the income and expenses table below:

Description	Income / Expense	Amount
Pet-sitting earnings		R150
Buying cleaning materials		R40
Pocket money		R50
Airtime purchase		R30

(4)

12. Total income: _____

Total expenses: _____

Profit/Loss: _____

(3)

13. Define the term "cash journal".

(1)

14. Fill in the missing details for the cash receipts journal:

Date	Details	Source Document	Amount
05 Nov	Lemonade sales	_____	R100
10 Nov	Car wash income	_____	R120

(2)

15. Calculate the total income for November: _____

(1)

16. Identify two advantages of keeping accurate financial records.

a) _____

b) _____

(2)

17. Define "bank charges" and explain why they appear on a bank statement.

(2)

18. Thabo's monthly budget:

Item	Budgeted	Actual
Transport	R300	R350
Groceries	R500	R480
Savings	R200	R200

- a) Which item went over budget? _____ (1)
b) Which item saved money? _____ (1)
c) What was the total actual spending? _____ (2)
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SECTION D: GLOBAL TRADE & SUSTAINABILITY (15 MARKS)

19. Define the following terms:

a) Global trade

b) Sustainable development

(4)

20. List two reasons why South Africa imports goods.

(2)

21. Name one advantage and one disadvantage of global trade.

Advantage: _____

Disadvantage: _____

(2)

22. Match the items with their correct trade type:

Product	Trade Type (Import/Export)
South African oranges sold to Germany	_____
Cellphones bought from China (2)	_____

23. Suggest one way businesses can be more environmentally friendly.

(1)

24. Why should businesses consider the environment when producing goods?

(2)

TOTAL: 80 MARKS



MEMO

SECTION A: ECONOMIC SYSTEMS & CIRCULAR FLOW (20 MARKS)

1. **Three main economic systems:**
 - a) **Traditional economy** – Economic decisions based on customs, traditions, and beliefs. (2)
 - b) **Command economy** – Government controls production and distribution. (2)
 - c) **Market economy** – Decisions based on supply and demand with minimal government interference. (2)
2. **Characteristics of a mixed economy:**
 - Combines elements of both command and market economies.
 - Both government and private individuals participate in economic decisions. (2)
3. **Circular flow diagram:**
 - a) Households provide labour. (1)
 - b) Households receive wages/salaries/payment for labour. (1)
 - c) Businesses sell goods and services. (1)
 - d) Money flows from businesses to households as wages and from households to businesses as payment for goods and services. (2)
4. **Importance of circular flow:**

Ensures continuous movement of goods, services, and money, which keeps the economy active and functioning. (2)
5. **Government sector:**

Belongs to the public sector because it provides services to all citizens and regulates the economy. (2)

SECTION B: ENTREPRENEURIAL SKILLS (20 MARKS)

6. **Definitions:**
 - a) **Innovation:** Creating new or improved products, ideas, or methods. (2)
 - b) **Business plan:** A written document describing the business idea, goals, and strategies. (2)
7. **Steps to start a business:**
 - a) Identify a business opportunity.
 - b) Develop a business plan.
 - c) Acquire resources and start operations. (3)
8. **Business scenario:**
 - a) Adapted product range to customer preferences. (1)
 - b) Used social media marketing. (1)
 - c) Demonstrated adaptability/marketing skills. (1)
 - d) Possible weakness: Limited delivery area, or lack of capital. (1)
9. **Types of costs:**
 - a) Fixed costs – Costs that do not change (e.g., rent).
 - b) Variable costs – Costs that change with production level (e.g., raw materials). (4)

10. **Importance of customer feedback:**

Helps improve products and services, keeps customers satisfied, and builds loyalty. (2)

SECTION C: FINANCIAL RECORDS & TRANSACTIONS (25 MARKS)

11. **Income and Expenses Table:**

Description	Income / Expense	Amount
Pet-sitting earnings	Income	R150
Buying cleaning materials	Expense	R40
Pocket money	Income	R50
Airtime purchase	Expense	R30

(4)

12.

- Total income = R150 + R50 = R200 (1)
- Total expenses = R40 + R30 = R70 (1)
- Profit = R200 – R70 = R130 (1)

13. **Cash journal:**

A book or record where all cash received and paid out is recorded. (1)

14. **Cash receipts journal:**

Date	Details	Source Document	Amount
05 Nov	Lemonade sales	Receipt	R100
10 Nov	Car wash income	Receipt	R120

(2)

15. **Total income for November:** R100 + R120 = R220 (1)

16. **Advantages of accurate financial records:**

- a) Helps track money flow.
- b) Assists in budgeting and financial planning. (2)

17. **Bank charges:**

Fees charged by the bank for account services such as withdrawals or maintenance. They appear on the bank statement as deductions. (2)

18.

- a) Transport went over budget (Actual R350 > Budgeted R300). (1)
 - b) Groceries saved money (Actual R480 < Budgeted R500). (1)
 - c) Total actual spending = R350 + R480 + R200 = R1030 (2)
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SECTION D: GLOBAL TRADE & SUSTAINABILITY (15 MARKS)

19.

- a) **Global trade:** The buying and selling of goods and services between countries. (2)
b) **Sustainable development:** Development that meets current needs without harming the ability of future generations to meet their needs. (2)

20. **Reasons for imports:**

- Some products are not made locally.
- Local supply cannot meet demand. (2)

21.

- Advantage: Access to a variety of goods and markets.
- Disadvantage: Can harm local businesses and increase dependency. (2)

22.

- Oranges to Germany – Export.
- Cellphones from China – Import. (2)

23. **Businesses can be more environmentally friendly by:**

Reducing waste, recycling materials, using renewable energy, or using eco-friendly packaging. (1)

24. **Importance of considering environment:**

To protect natural resources, reduce pollution, and promote sustainability for future generations. (2)

TOTAL: 80 MARKS