

GRADE 7
TIME: 90mins

HERBERT HURD PRIMARY SCHOOL
EMS ASSESSMENT

12 JUNE 2017
75 MARKS

*****RULE OFF AFTER EACH SECTION*****

SECTION A: MICRO-ENTERPRISES/ SMALL/MEDIUM/LARGE BUSINESSES

Match the number with the correct letter by choosing the most suitable answer:

Write the LETTER only.

1	A medium-sized business	A	A very small informal business.
2	An informal business	B	A tax or levy charged by cities to pay for the provision of services.
3	A small business	C	A record of all the business' transactions or business deals.
4	A SMME	D	A tax you pay on the goods and services you buy.
5	A large business	E	A business that is not taxed in any way by the government.
6	A formal business	F	A business that employs 200 people.
7	A micro-enterprise	G	A business that employs between 5-50 people.
8	Accounting records	H	A term given to small, medium and micro businesses.
9	VAT	I	A business that employs thousands of people.
10	Municipal rates	J	A business that is registered for tax and keeps accurate records.

[10]

SECTION B:

Complete the following sentences by filling in the missing words:

1. are any items of value eg. cars, equipment, buildings etc.
2. is the payment received for selling goods/providing a service.
3. A is a plan that tells you how much money you have and how you should spend it.
4. A statement of net worth calculates the financial of a person or business on a specific day.
5. The is the amount which it costs to make one product.
6. is the net profit for the year made by the business. **[6]**



SECTION C: NET WORTH

*Breaking news!!!! You have just been informed that **JUSTIN BIEBER** has passed away after he ate a chilli bunny chow at a local Spaza shop. He left everything he owns to you. However, he has debt to be settled. His lawyer has advised that you sell everything at an auction so that you can settle his debt.*

*Prepare a personal **statement of net worth as at 30 May 2017 for JUSTIN BIEBER** so that you can see how much money you have inherited. The following information is provided:*

*4 sports cars = R5 000 000; Electricity Account = R2 000 000; Properties = R41 650 800;
5 guitars = R8 300 570; Loan on two cars = R3 925 400; Rates and Water = R5 986 250;
Mobile home = R2 780 600; Bank overdraft = R2 650 300; He lent R8 000 000 to his uncle;
Savings account = R1 458 389; Investments = R3 456 838; Taxes = R755 590;
Salaries to his band = R15 500 000; Rent arrears = R1 279 700.*

[20X½=10]



SECTION D: PROFIT AND LOSS

Exercise 1

Keri Brooks and Hayley Brugh own a cellphone Spaza repair shop. They repair different kinds of phones for various companies in the city. People are very unhappy because of their shoddy service, poor workmanship and they even sell broken phones to the public!!

Their services for the year brought in an income of R16 000 000. They paid out R2 700 500 for materials; R2 900 000 for electricity and water for their premises; R1 550 600 for other expenses and R7 250 000 for wages. They received a fine of R1 250 000 for selling illegal prepaid airtime.

Show ALL your calculations.

[5]

Exercise 2

Mazizi Matsha Clothing design elegant dresses in the community. Their services for the year brought in an income of R6 880 320. Their business paid out R1 657 590 for material costs; R4 178 640 for salaries; R2 330 900 for rates and electricity; R810 000 for telephone and R2 005 700 for other expenses. The business received a sponsorship of 2 250 000 from the government for excellent work in Port Elizabeth. Calculate whether his business made a profit or loss.

Show ALL your calculations.

[5]

SECTION E: PERSONAL INCOME

Study the table below and state which type of personal income is received:

No.	Occupation	Type of personal income received
1.	A sales representative earns R1000 for every car he sells.	
2.	A domestic worker who earns R500 per week.	
3.	A street hawker earns R200 per day.	
4.	A secretary gets R15 000 per month.	

[4]

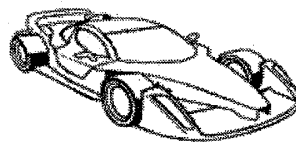


SECTION F: TYPES OF BUSINESSES

There are 3 types of businesses namely, Manufacturing, Trading and Service.
State what type of businesses the following are:

1. Pick 'n Pay Hypermarket
2. Holley's Spaza Shop
3. Madison's Horrible Art and Paintings
4. Volkswagen Motor Company
5. Honest Ethan's Car Sales
6. Standard Bank
7. SASKO Bakery
8. Edgars
9. Ndiphiwe's Hair and Nail Salon
10. Newton Park SPAR

[5]





SECTION G: DIRECT & INDIRECT COSTS

The "MACHO MEN" - Famous hot and spicy chicken wings.

The Macho Men: Matthew, Seth, Aqhama, David and Blaine own a company which makes and sells homemade fried chicken wings. (I hear it tastes horrible!!). Here is a list of their expenses for 600 horrible chicken wings:

Ingredients	R3600	chicken wrappers	R1250
chicken	R750	labels	R600
Rent for stall	R2 000	Wages-chicken fryer	R300 p/week
Advertising	R500	Water & electricity	R500 p/month
Telephone	R500	Loan repayment	R300 p/month

They employ one person, Zachary (who eats most of the wings!!), to help sell on a Saturday morning and pay him a salary of R800 per month.

1. Group the costs into direct and indirect costs for the month. [13]
2. What is the total cost of producing the hot wings? [1]
3. What is the unit cost? (per hot wing) [2]

They sell each chicken wing for R30.00.

4. How much profit are they making on each hot wing? [1]
5. How much profit do they make if they sell all their hot wings? [1]
6. How much does each member receive? [1]

SECTION H:

ANSWER THE FOLLOWING LONG QUESTIONS:

1. Discuss Assets and Liabilities. Mention the different types. [10X½=5]
2. Name three ADVANTAGES of an INFORMAL business and three DISADVANTAGES of a FORMAL business. [6]

TOTAL: 75 marks