

Grade 7
Time: 75 mins

HERBERT HURD PRIMARY SCHOOL
EMS ASSESSMENT

21 November 2017
75 marks

***** RULE OFF AFTER EACH QUESTION*****

QUESTION 1: (Multiple choice questions)

1. When expenses/expenditures in a budget are more than the expected income, the budget will be balanced with a
A Deficit
B Profit
C Loss
D Surplus
2. Which of the following is the benefit of recycling?
A Increased pollution
B Decreased unemployment
C Promotion of crime
D Increased load-shedding
3. is the money to start a business.
A Expense
B Savings
C Profit
D Capital
4. Source documents must be kept for at least
A 5 years
B 4 years
C 3 years
D 2 years
5. examine financial records to check if they are in order.
A Auditors
B Clerks
C Accountants
D Consultants

[5]

QUESTION 2: (True or False)

6. In 1984, all people in South Africa could exercise their right to vote.
7. Gold is an example of a non-renewable resource.
8. Outputs are the final goods and services which businesses sell and consumers buy.

9. You must be 16 years old in order to vote.
10. The first democratic elections took place on 24 April.

[5]

QUESTION 3

Read the attached case study, "Success on a Shoestring" and then answer the questions that follow:

11. Why is the title of this story appropriate? [1]
12. Where would we find Lere Mgaya's businesses? [2]
13. What were the three reasons Lere was given for not being able to secure a loan? [3]
14. How did Lere raise his own capital to buy the shoe-shine chairs? [2]
15. Lere has no formal business education. How did he overcome this obstacle allowing him to converse/talk with his customers? [2]
16. Name the two competitions Lere entered and what did he choose to do with the prize money on each occasion? [4]
17. To cover his initial investment of R5 000, how many pairs of shoes does he have to shine? [2]

[16]

QUESTION 4

Fill in the missing words:

18. The greater the level of, the more products will be made.
19. Sustainable economic growth is possible if there is a low and stable rate and a low level of
20. People who are to work also make the economy grow.
21. Economic growth means the rate at which the of a country is increasing or possibly even decreasing over a period of time.
22. is the process of changing/transforming raw materials into goods and services.
23. changes the raw materials into products.
24. A source document is a record of a and it contains the basic financial information.
25. Source documents should be stored in a fire-proof
26. A cash receipt also serves as a of payment.

[10]

QUESTION 5

Answer the following questions:

27. Who is the deputy president of South Africa? [1]
28. Who is the Premier of the Western Cape? [1]
29. Name two reasons for the increased use of technology in production. [2]

Success on a Shoestring

How to build a successful business with a minimal start-up capital.

By Juliet Koeman **Lere Mgayiya** is no stranger to the word “no”. The 32-year-old founder and owner of Lere’s Shoe-Shine Experience, a familiar feature of both Cape Town and Johannesburg International Airports, has stood outside more than his fair share of closed doors. Desperate to put his energy and ideas into building a profitable business, he approached banks for a loan. But each attempt met with the same answer: “You’re young, from the township and without any assets. Don’t call us, we’ll call you.”

But Mgayiya is nothing if not resourceful, something he proved when he won the pilot episode of the Sanlam Money Game, turning an R18000 profit from R30000 in just 3 days. With his winnings, he bought shares and went to work in a promising BEE company, but it soon became clear that he would reap the rewards 3 years down the line. After trying, yet again unsuccessfully, to get finance for a mobile public cell phone franchise, Mgayiya was back to square one.

One day while sitting at Cape Town’s Greenmarket Square, he noticed a shoe-shiner plying his trade and a business idea sparked – it’s a low-cash start-up with few cash flow issues. But there was a lot of downtime where he was, so he thought, “Where would it be possible to set up a shoe-shining business that didn’t experience long periods of downtime? The Airport!”

Eventually the business got the go ahead but Mgayiya lacked R5000 capital required

to buy 2 shoe-shine chairs, one for each of the domestic terminals. Yet again, he approached the bank, this time with his ACSA contract in hand, but once again he was turned down. Undeterred he sold his television and stereo for R2500 and begged the other R2500 from his mother. He hired a second shoe-shiner and they opened for business, charging travellers R15 for a shoe-shine. So without any formal business education, Mgayiya set about voraciously reading every financial and business related publication he could get his hands on. “I taught myself about the Repo rate, financial markets, inflation, CPIX and followed the exchange rates. It meant I was able to interact with my customers, and converse with them about things they were interested in. The crash course in finance paid off.”

One of his customers was so impressed that he encouraged Mgayiya to enter the SAB Kick-Start Competition, even going so far as to bring his application form. Mgayiya went on to win R50000 in the competition, which enabled him to expand his operation. He set his sights on Johannesburg International Airport, a deal he recently clinched. Constantly looking for ways to improve his operation, adding more value to the shoe-shine experience and enhancing the business’s money-making capacity, he invested in coin-operated massage chairs that clients can sit on while having their shoes shined.

30. Name two important factors which should be considered when comparing the productivity of two businesses. [2]
31. Name three ways in which we can use resources in a sustainable way. [3]
32. What do we call technology that doesn't harm the environment and cause much pollution? [1]
33. Name two ways in which technology is used in the production process. [2]
34. Name three reasons why people save money. [3]
35. What are personal savings? [1]
36. Name three services offered by banks to make it easier for their clients. [3]

[19]

QUESTION 6

Match the correct statement in column B with the correct word in column A:

Write only the letter. (eg. 39 F)

Column A	Column B
37. Julius Malema	A. All the raw materials, money, capital, goods and labour needed to make a final product.
38. Minerals	B. Inkatha Freedom Party
39. Inputs	C. Economic Freedom Fighters
40. Savings and Investments	D. The final product that will now be sold to the consumer.
41. Outputs	E. The bank sends the customer a statement of account at the end of the month.
	F. Non-renewable resources
	G. Services offered by banks in SA.

[5]

QUESTION 7

Answer the following LONG questions:

42. Explain how a bank account can be opened. [5]
43. Name 5 factors that can improve productivity. [5]
44. "A commercial bank is a business, so it aims to make a profit.
Name five roles that banks fulfill. [5]

75 marks

