



Subject: Grade 7 Economic and Management Sciences

Topic: EMS: Term 1 - Mini-Exam

Total: 80 Marks

1. entrepreneur | entrepreneur. | entrepreneurs | entrepreneurs.

3 marks

Explanation:

An **entrepreneur** is a person who starts and runs their own business in order to work for themselves instead of working for another person or business.

2. scarce | scarce. | scarce resources | scarce resources. | scarcity | scarcity.

3 marks

Explanation:

Resources are limited, therefore they are **scarce**. This means that there is not an unending supply or availability.

3. true

2 marks

Explanation:

Formal businesses are able to borrow money in the form of a **loan from a bank** in order to grow their business. Informal businesses are not registered and therefore cannot take out a loan in the name of the business.

4. false

2 marks

Explanation:

Natural disasters have a large financial impact on both formal and informal businesses.

Businesses may be impacted as:

- they need to pay for any damage to their property or vending stall
- they may not be able to earn an income while repairs take place
- they may lose customers who rather purchase from a different business

5. Money | Currency | money. | currency.

3 marks

Explanation:

Because **money** is usable by both the buyer and the seller, it is a common unit of measure. This means that the double coincidence of wants is eliminated and trade can take place faster, thereby improving efficiency.



6. cannot | significant

4 marks

Explanation:

Natural disasters **cannot** be controlled as they are caused by nature and they can have a **significant** impact on businesses.

Natural disasters have a **significant** impact on businesses, because they can **destroy property** (such as farms, factories, buildings, stalls) as well as **affect the delivery of services** such as transport or water.

7. effective | efficient

4 marks

Explanation:

A business must be **effective** by making the best decisions with regards to operating the business. They must also ensure they are **efficient** by using their resources well with little wastage.

8. C: Pay less tax.

4 marks

Explanation:

Informal businesses **do not pay less tax**, they pay **no tax**. They are not registered with the government and are not registered for tax.

9. credit | debit

4 marks

Explanation:

A credit card enables you to purchase goods on credit. This means that you do not use your own money for the purchase, rather the bank pays it for you. You will then pay the bank back in instalments. When you pay for items using a debit card, you pay from the balance you have in your bank account.

10. consumer | consumer. | consumers | consumers.

3 marks

Explanation:

Businesses are **consumers** as they buy and make use of goods and services that other businesses produce.

11. true

2 marks

Explanation:

Early paper money was issued in **1782** by the governor of the Cape Colony. All notes were **hand written** and stamped with an official government stamp.

12. false

2 marks

Explanation:

Reduce means using less / smaller quantities of products. For example using less paper.

Reuse refers to finding other uses for products that have already been used. For example using an finished ice-cream container as a lunch box.

13. A: Only formal businesses are producers.

4 marks

Explanation:

Both formal and informal businesses are producers. Formal businesses often produce on a larger scale than informal businesses.

14. cheque | cheque.

3 marks

Explanation:

A **cheque** is a specially printed form from a bank. A person who has a bank account may issue a cheque in order to pay someone else. The cheque is an order to the bank to pay a stated sum to the individual or business whose name appears on the face of the cheque.

15. SARB | S.A.R.B.

3 marks

Explanation:

The **SARB** (South African Reserve Bank) is a central bank with the function to enhance and protect financial stability in South Africa. It is able to do this by regulating and supervising the financial institutions in South Africa.

16. government | government. | governments | governments.

3 marks

Explanation:

The **government** provides the citizens with public goods and services, such as roads, electricity, schools, hospitals etc.

17. C: Redo

4 marks

Explanation:

The three R's are:

- Reduce
- Reuse
- Recycle

Redo is not part of the three R's.

18. D: Person X wants salt and has wheat to trade for it. Person Y wants wheat and has salt to exchange for it.

4 marks

Explanation:

The double coincidence of wants in barter means two parties each hold an item that the other wants, so they exchange these items directly.

19. D: Health epidemics don't usually impact sales.

4 marks

Explanation:

Health epidemics can impact the number of sales that a business makes due to:

- The owner may be too sick to run the business.
- Employees become sick and are not able to work,
- Less employees means lower business productivity and therefore less products available to sell.
- Customers may be sick and therefore are not purchasing as many goods and services.

20. true

2 marks

Explanation:

The economic problem, which is the problem of scarcity, is having unlimited wants and needs but limited resources to satisfy them.

21. consumer | consumer. | consumers | consumers.

3 marks

Explanation:

Consumers are the people or other businesses that use (consume) goods and services. They buy the goods and services from producers.

22. true

2 marks

Explanation:

Cattle were often used to trade in the past. It subsequently became an indication of wealth because the more cattle a person owned, meant a greater affordability for other goods and services. It was common to measure a person's wealth by the quantity of cattle they owned.

23. D: Food

4 marks

Explanation:

Food is not a community need, it is a basic need of all humans for survival. Community needs include having sanitation services, running water, sewage systems, access to healthcare etc.

24. B: How many products to buy.

4 marks

Explanation:

Businesses need to ensure they are running their businesses efficiently and effectively. To do this they must decide:

- who to buy their materials from (their suppliers)
- how many products to make (enough to meet the needs of customers but not too many that they cannot sell them)
- how many employees to hire (too few employees will not be able to produce enough goods, too many employees will increase costs)

Businesses do not need to decide **how many products to buy**, consumers will make this decision.

25. Renewable | repeatedly

4 marks

Explanation:

Renewable resources can be used **repeatedly** and will not run out. They can be replaced by making more or replenished by nature.

Total: 80 Marks