



Subject: Grade 7 Economic and Management Sciences

Topic: EMS: Term 2 - Exam 1

Total: 96 Marks

Name: _____

Date: _____

Question 1: Multiple Choice

4 marks

Which statement is not correct regarding a **Statement of Net Worth**?

- | | |
|----------|---|
| A | It is a list of all assets and liabilities. |
| B | It totals assets. |
| C | It calculates total incomes. |
| D | It totals debts. |

Question 2: True/False

2 marks

A **budget** helps to control your money.

TRUE

FALSE

Question 3: True/False

2 marks

When expenses are more than incomes, it is called a **profit**.

TRUE

FALSE

Question 4: Please Fill In The Blanks

4 marks

(1) is the money that the business **spends** and (2) is the money the business **receives**.

Possible Answers: budgets | income | expenses | expenditure

1

2



Question 5: Please Fill In The Blanks

4 marks

Savings is when a business keeps money in order to use it in the (1) . You earn (2) on savings.

Possible Answers: past | future | interest | bank charges

1	
----------	--

2	
----------	--

Question 6: Please Fill In The Blanks

4 marks

A (1) is something that a person must have in order to live while a (2) is something that is not essential but nice to have.

Possible Answers: want | like | need | collect

1	
----------	--

2	
----------	--

Question 7: Multiple Choice

4 marks

Which is not a form of **investment**?

- | | |
|----------|-----------------------------|
| A | Purchasing property |
| B | Taking out a loan |
| C | Buying shares in a business |
| D | Buying a business |

Question 8: Text Input

3 marks

Give the term used to describe when the **owner gives money** to the business.

Provide only the one word.

--

Question 9: Please Fill In The Blanks

4 marks

An **entrepreneur** starts a (1) in order to earn an income from the business that is known as a (2) .

Possible Answers: budget | business | profit | income

1	
----------	--

2	
----------	--

Question 10: True/False

2 marks

Financial records are used to understand how the business is performing.

TRUE

FALSE

Question 11: True/False

2 marks

Formal businesses are registered and pay tax.

TRUE

FALSE

Question 12: True/False

2 marks

Cost of Sales is used for service businesses only.

TRUE

FALSE

This image refers to question: 13

ASSETS	
Car	150 000
Investments	25 000
Bank account	7 500
Total assets	182 500
LIABILITIES	
Bank loan	12 000
Credit card	1 500
Total liabilities	13 500
NET WORTH	?

Question 13: Text Input

3 marks

Study the Statement of Net Worth. **Calculate** the amount that should replace the ?.

Provide the answer in numbers only.

Question 14: Multiple Choice

4 marks

Which of the following is not an example of an **asset**.

- | | |
|----------|-------------------|
| A | money in the bank |
| B | a vehicle |
| C | stationery |
| D | a building |

Question 15: Multiple Choice

4 marks

Which statement is incorrect regarding a **promissory note**?

- | | |
|----------|--|
| A | Promissory notes were the first form of paper money. |
| B | They were typed onto a piece of paper. |
| C | They contained the words “promissory note”. |
| D | They stated the amount of money to be paid. |

Question 16: Please Fill In The Blanks

4 marks

A (1) is an exchange between parties and it is recorded on a (2) .

Possible Answers: deal | transaction | bank statement | source document

1	
----------	--

2	
----------	--

Question 17: Please Fill In The Blanks

4 marks

A **budget** consists of incomes (called (2) as well as expenses (called (...)).

Possible Answers: payments | current income | current expenses | receipts

1	
----------	--

2	
----------	--

Question 18: Text Input

3 marks

Which word is used to describe when a lot of people get **sick** with the same illness.

Provide only the one word.

--

Question 19: Text Input

3 marks

What is it called when there is extra **money in a budget**?

Provide only the one word.

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Question 20: Multiple Choice

4 marks

Which statement is incorrect regarding **banking** for a business.

- | | |
|----------|--|
| A | A business should open a bank account in the name of the business. |
| B | Businesses use cheques to make payments. |
| C | When money is put into a bank account is it called a deposit. |
| D | When money is taken out of a bank account it is called a withdrawal. |
-

Question 21: Text Input

3 marks

Which word describes the **plan** of incomes and expenses for a business.

Provide only the one word.

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Question 22: True/False

2 marks

Salaries and wages are one of the main sources of income for a business budget.

TRUE	FALSE
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Question 23: True/False

2 marks

Money was the original method used for buying goods and services.

TRUE	FALSE
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Question 24: True/False

2 marks

Interest is the amount of money earned on savings.

TRUE	FALSE
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Question 25: Text Input

3 marks

What are the **debts** of the business referred to?

Provide only the one word.

Question 26: Please Fill In The Blanks

4 marks

Net Worth = (1) minus (2) (debts).

Possible Answers: owner's equity | assets | liabilities | worth

1	
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2	
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Question 27: Text Input

3 marks

Which word is used to describe a person who **starts their own business**?

Provide only the one word.

Question 28: Text Input

3 marks

What is the word used to describe **land, buildings, houses and offices**.

Provide only the one word.

Question 29: Multiple Choice

4 marks

Which of the following is not an example of a business **expense**?

- | | |
|----------|--------------------|
| A | salaries and wages |
| B | bank charges |
| C | telephone |
| D | rent from a tenant |
-

Question 30: Multiple Choice

4 marks

When **preparing a budget** for the month, you must:

- | | |
|----------|--|
| A | Know how much money will be in the bank account at the end of the month. |
| B | Know how much was received in the previous month. |
| C | Know how much is to be received and paid for the month. |
| D | Know how many expenses will happen in the following month. |
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Total: 96 Marks