

## Responsibilities and rights of businesses and households

Businesses and households have the right to use roads to transport goods and to travel from place to place. Because they pay various road taxes, they have the right to expect good roads.

They have the responsibility to pay their licences and to use the roads considerately. For example, businesses should not overload their trucks and all drivers should drive carefully.



This sign shows how much a motorist has to pay to go on a toll road in Paarl, in the Western Cape.

### Activity 3 Comparing rights and responsibilities

Work in groups.

Copy and complete this table.

Responsibilities of government	Responsibilities of businesses	Responsibilities of households
Rights of government	Rights of businesses	Rights of households

LO1: The Economic Cycle  
 AS: Compare rights and responsibilities of each of the participants in the production and consumption of resources and services

## GRADE 6 LESSON PLAN 2 TERM 1

Learning Area: Economic and Management Sciences Duration: 4 Weeks (8 HRS)		Context:  Date completed:
<u>SKILLS</u>	<u>KNOWLEDGE</u>	<u>VALUES</u>
Discussion Comparing Describe Identify Listening Present	AS 3: Concepts: <ul style="list-style-type: none"> <li>• Resources</li> <li>• Services</li> <li>• Flow of wages to households in exchange for labour</li> <li>• Flow of money to business in exchange for goods &amp; services</li> </ul> Different flows of resources and services in the economic cycle  AS 4: Concepts: <ul style="list-style-type: none"> <li>• Taxes</li> <li>• Direct tax e.g personal tax, company tax</li> <li>• Indirect tax e.g VAT and sin tax</li> <li>• Property tax</li> <li>• Income tax</li> </ul> Types of taxes and how they influence consumers and businesses	Respect Honesty Responsibility Rights
<b>LO 1: THE ECONOMIC CYCLE</b>		
AS 3: Presents different flows of resources and services in the economic cycle (e.g. the flow of wages to households in exchange for labour, the flow of money to business in exchange for goods and services)		
AS 4: Explains the different types of taxes and how they influence consumers and businesses		

### **Activity 1(a)**

The teacher further explains the concept of the economic cycle:

The flow of goods and services and income/wages affects the households, the government and the business because they all buy and sell from one another. Households buy goods and services from the government and businesses and sell their labour to these sectors. Since buyers are sellers and sellers, there is a continual flow of spending between them. This flow never ends and is called an economic cycle.

The teacher recalls the role of households, business and the government to indirectly introduce the learners to the economic cycle. He either draws lines or uses a blank circular flow diagram, **Annexure A** to illustrate the flow of money to the business in exchange for goods and services. He uses the same diagram /lines to illustrate the flow of wages to households in exchange for labour.

### **Activity 1(b)**

The teacher engages the learners in a role play. He writes the different role players on the board. He then asks the learners to form groups of three. Each learner in the group will represent one of the three parties in the economic cycle (household, business, government). He gives the learners the following instruction:

After each instruction the responsible party must ass his/her line in the economic cycle.

“Households.....please provide labour to the government and business

“Business .....please pay Households for the labour /he has provided you

Learners continue like this until all lines have been drawn, **Annexure B** inset module for guidance

Learners are given the following case study to demonstrate that they can apply their acquired knowledge. **FORMAL TASK**

James October works at food canning factory. The government sells water and electricity to the factory He sells his labour to the factory for a salary. Farmers sell vegetables and fruit for canning to the factory. The factory sells its canned fruit and vegetables to shops. The shops sell the canned fruit and vegetables to the households.

The teacher marks the learner’s work and then provides feedback.

**Assessment: Form: Class work , CASE STUDY, Tool: Method: Educator**

### **Activity 2(a)**

As prior knowledge the teacher asks the learners to answer the following question:

- Define the concept, ‘tax’
- Differentiate between direct and indirect tax

- List the different types of taxes

The teacher briefly explains the different types of taxes:

Customs duty – payable on imports

PAYE – Paid by each employer calculated on the individual's total income

Stamp duty – payable on banking transactions, registration of transfer, cancellation or redemption of shares

Road tax – for each litre of petrol sold, some money is paid in tax

VAT – paid on almost everything that is sold. VAT rate is currently 14% There are food items that are VAT free, e.g. bread, milk, mealie meal, fruit and vegetable

Import tax – paid on goods bought from other countries

Fuel tax included in the price of petrol, paraffin, diesel

Estate – levied on the net value of a person's estate upon his death

Excise tax – included in the price of cigarettes, alcoholic beverages, cool drinks, tobacco, etc.

Municipal tax – levied by municipalities, paid by property owners for sewage, rubbish removal, water and electricity

Sin tax- The government makes us pay a lot of indirect tax for products they do not want us to buy e.g. cigarettes and beer

The teacher asks the learners to differentiate between direct and indirect tax using the following table:

Learners are given the following exercise to complete:

What kind of tax do these people have to pay

- a) Tozie's aunt bought a machine from Germany for her business
- b) Mr. Themane buys 10 litres of paraffin a month for his stove

- c) Julie's mother works in a supermarket. She pays R500 tax a month
- d) Andile bought a new shirt which costs 120
- e) Kobus has noticed that cigarettes now cost 30 cents more per packet
- f) Themba has inherited a house worth R2million

He instructs the learners to exchange their books for marking and then do corrections.

### **Activity 2(b)**

The teacher tells the learners that when consumers and businesses pay tax, it is always good for the government because it means they are getting revenue. Sometimes the government discourages the consumers from buying certain items.

He then gives learners an exercise to identify the type of tax and explain its influence , **Annexure C**

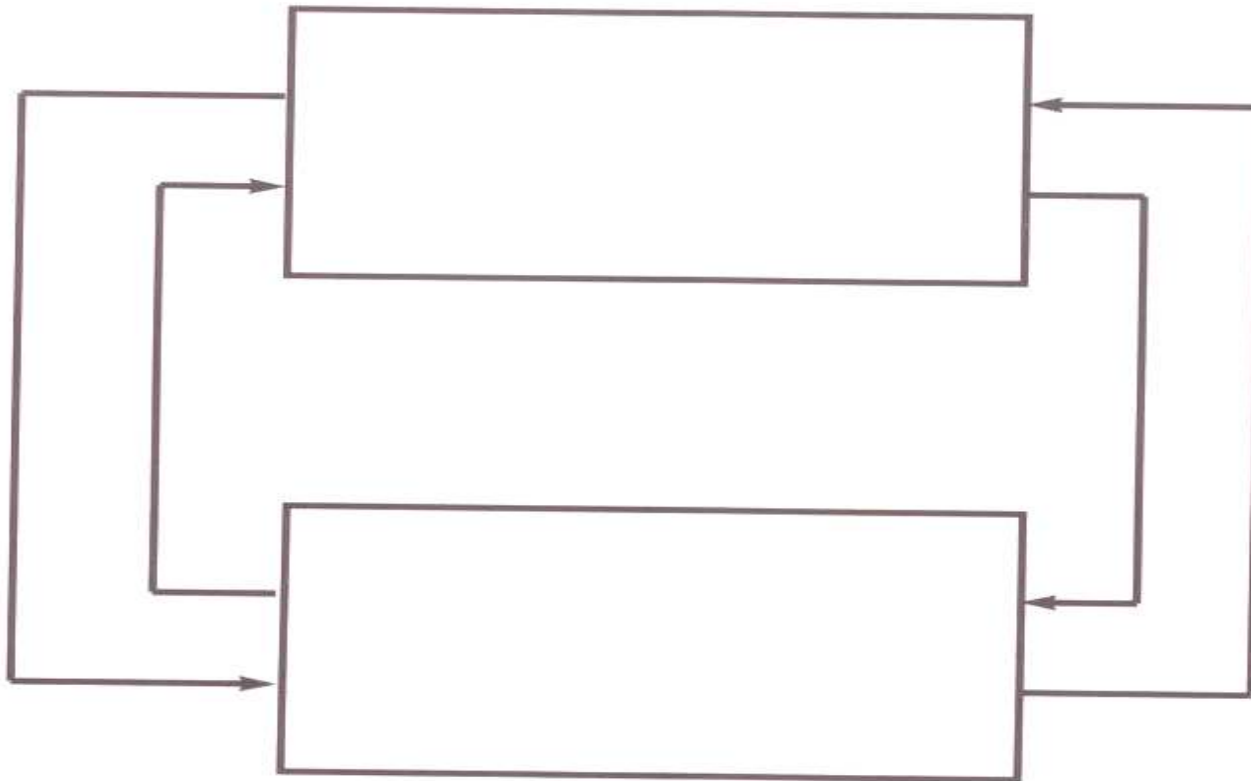
The teacher marks the learner's work and provides a feedback

**Assessment: Form: Class work , Tool: Memo, Method: Educator**

## ANNEXURE A

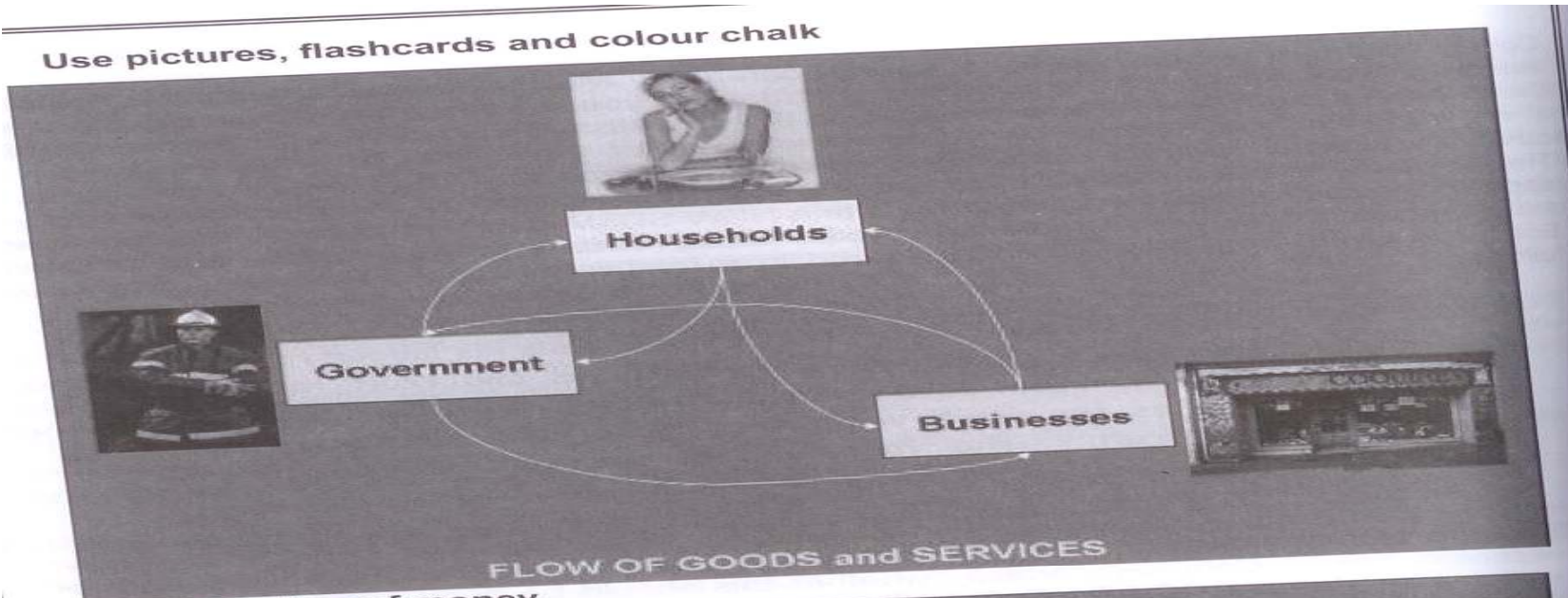
• Answer the following questions:

1. Why do we say the economic cycle has no beginning and no end?
2. Try to illustrate the flow of money between households and business enterprises.



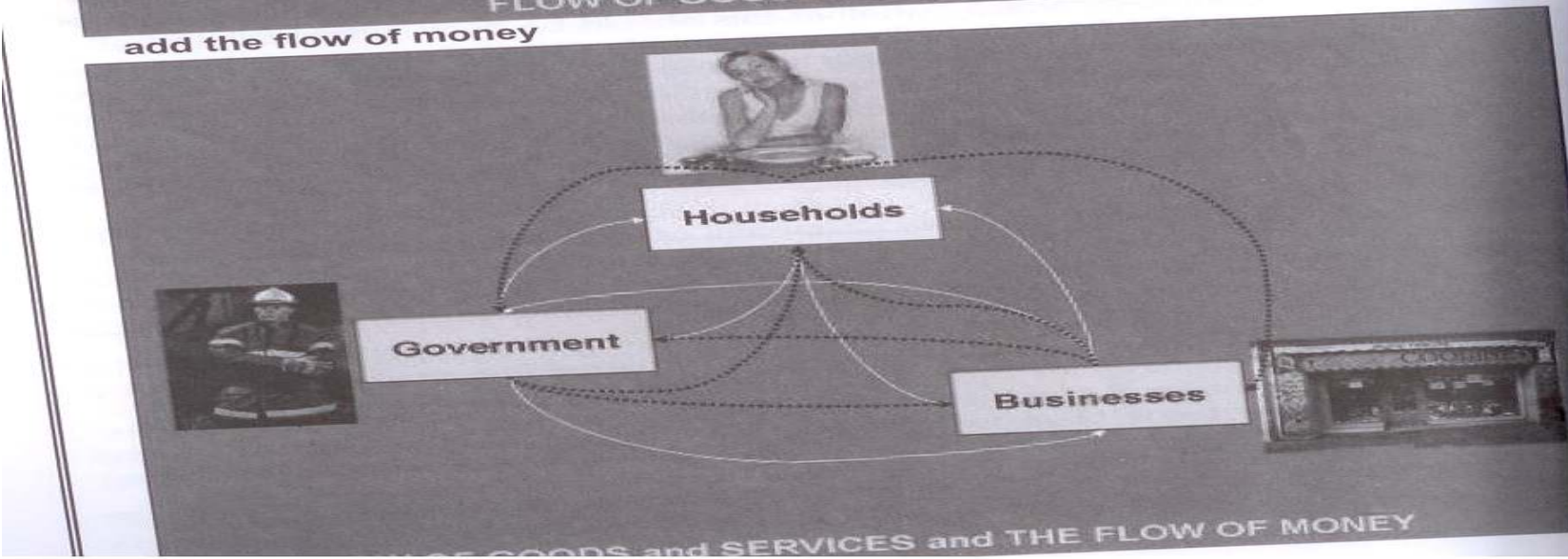
**ANNEXURE B**

Use pictures, flashcards and colour chalk



FLOW OF GOODS and SERVICES

add the flow of money



FLOW OF GOODS and SERVICES and THE FLOW OF MONEY

## ANNEXURE C

- Determine your prior knowledge by answering the following questions:



1. What do you think are your responsibilities and rights as a citizen of South Africa?



# *SENIOR PHASE*

## OVERVIEW GRADE 7

TERM 1	TERM 2	TERM 3	TERM 4
<b>LEARNING OUTCOMES AND ASSESSMENT STANDARDS</b>	<b>LEARNING OUTCOMES AND ASSESSMENT STANDARDS</b>	<b>LEARNING OUTCOMES AND ASSESSMENT STANDARDS</b>	<b>LEARNING OUTCOMES AND ASSESSMENT STANDARDS</b>
<b>LO 1 : ECONOMIC CYCLE</b>	<b>LO 4: ENTREPRENEURIAL KNOWLEDGE AND SKILLS</b>	<b>LO 3: MANAGEMENT, CONSUMER AND FINANCIAL KNOWLEDGE AND SKILLS</b>	<b>LO 3: MANAGEMENT, CONSUMER AND FINANCIAL KNOWLEDGE AND SKILLS</b>
<b>CLUSTER 1</b>	<b>CLUSTER 1</b>	<b>CLUSTER 1</b>	<b>CLUSTER 1</b>
<p><b>AS 1:</b> Explain needs and wants and how the differences between them impact on communities and the environment</p> <p><b>AS 2:</b> Describes the different types of businesses and activities within the primary, secondary and tertiary sectors</p> <p><b>AS 3:</b> Explains the concepts “free” and “economic” (scarce) goods, and the influence of demand and supply on market prices</p>	<p><b>AS 1:</b> Compares essential characteristics and skill needed to be entrepreneurial from two simple case studies of practicing entrepreneurs in own community</p> <p><b>AS 3:</b> Participates in a joint venture between the school and the community/pa rents by taking ownership of producing a product or service</p>	<p><b>AS 1:</b> Explains the role of planning, organizing, leading and controlling (e.g. financial and procedural controls) in a business.</p> <p><b>AS 2:</b> Discusses different approaches to leadership and management</p> <p><b>AS 5:</b> Draws up an elementary statement of net worth, using personal record</p>	<p><b>AS 7:</b> Explains the different processes of human resource management</p>
<b>CONTENT</b>	<b>CONTENT</b>	<b>CONTENT</b>	<b>CONTENT</b>
<p><b>AS 1:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Needs and wants</li> <li>• Characteristics and differences</li> <li>• How the difference between needs and wants impact on communities and environment</li> </ul>	<p><b>AS 1:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Characteristics e.g. vision, responsibility, taking risks, enthusiastic, confidence , determination etc</li> <li>• Skills e.g. solve problems, decision making, planning and organizing etc</li> </ul>	<p><b>AS 1:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Planning</li> <li>• Organizing</li> <li>• Leading</li> <li>Controlling (financial and procedural control)</li> </ul>	<p><b>AS 7:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Human resource management</li> <li>• Planning</li> <li>• Recruitment</li> <li>• Selection</li> <li>• Induction</li> <li>• Placement</li> </ul>

<p><b>AS 2:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Different types of businesses and activities e.g <ul style="list-style-type: none"> <li>✓ Primary</li> <li>✓ Secondary</li> <li>✓ Tertiary</li> </ul> </li> </ul> <p><b>AS 3:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Free and economic goods</li> <li>• Demand and demand schedule</li> <li>• Law of demand</li> <li>• Supply and supply schedule</li> <li>• Law of supply</li> <li>• Market prices</li> <li>• Equilibrium prices</li> </ul> <p>Influence of demand and</p>	<ul style="list-style-type: none"> <li>• Compares essential characteristics and skills needed to be entrepreneurial from two different simple case studies of practicing entrepreneurs in own community</li> </ul> <p><b>AS 3:</b> Concepts</p> <ul style="list-style-type: none"> <li>• Buying and selling</li> <li>• Producing</li> <li>• Income and expenses</li> <li>• Cost and selling price</li> <li>• Loss /profit</li> </ul>	<p><b>AS 2:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Leadership</li> <li>• Management</li> <li>• Democratic</li> <li>• Autocratic</li> </ul>	<ul style="list-style-type: none"> <li>• Developing /in- service training</li> </ul>
<b>CLUSTER 2</b>	<b>CLUSTER 2</b>	<b>CLUSTER 2</b>	<b>CLUSTER 2</b>
<p><b>LO 1 : ECONOMIC CYCLE</b></p> <p><b>AS 4:</b> Describes and debates the power relationships, economic rights and responsibilities between:</p> <ul style="list-style-type: none"> <li>• Consumer and producer</li> <li>• Employer and employee</li> <li>• Government and business</li> </ul>	<p><b>LO 4: ENTREPRENEURIAL KNOWLEDGE AND SKILLS</b></p> <p><b>AS 2:</b> Uses idea generation technique make recommendations on using community resources to generate income in a responsible</p>	<p><b>LO 3: MANAGEMENT, CONSUMER AND FINANCIAL KNOWLEDGE AND SKILLS</b></p> <p><b>AS 3:</b> Describes the importance of administration in managing a business (record keeping, storing documentation)</p>	<p><b>LO 2: SUSTAINABLE GROWTH AND DEVELOPMENT</b></p> <p><b>AS 3:</b> Compares and discusses the difference between savings and investments</p> <p><b>AS 4:</b> Discusses the meaning of productivity</p>

	<p><b>AS 4:</b> Runs a business event using one or two of the ideas or opportunities identified in a questionnaire that had been designed</p> <p><b>AS 5:</b> Designs posters or other materials to advertise own business</p>	<p><b>AS 4:</b> Discusses the use of technology in telecommunication services (e.g. cell phones) and financial transactions (e.g. ATM, Internet) in improving administration, communication and access to information</p>	
<b>CONTENT</b>	<b>CONTENT</b>	<b>CONTENT</b>	<b>CONTENT</b>
<p><b>AS4:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Consumer and producer</li> <li>• Employer and employee</li> <li>• Government and business</li> <li>• Power relationships</li> <li>• Economic rights and Responsibilities between abovementioned</li> </ul>	<p><b>AS 2:</b> Concepts::</p> <ul style="list-style-type: none"> <li>• Community resources</li> <li>• Income generation</li> <li>• Idea generation techniques e.g. (survey, questionnaire, interviews, brainstorm etc</li> </ul> <p><b>AS 4:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Use ideas or opportunities identified in questionnaire</li> <li>• Runs a business event</li> </ul> <p><b>AS 5:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Poster</li> <li>• Advertisement</li> <li>• Designing of posters Designs posters or other materials to advertise own business venture</li> </ul>	<p>AS 3: Concepts:</p> <ul style="list-style-type: none"> <li>• Administration</li> <li>• Filing systems: (Manual and electronic)</li> <li>• Book keeping/ book keeper</li> <li>• Financial data</li> <li>• Source documents e.g. receipts, cash slips cheques</li> </ul> <p><b>AS 4:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Technology</li> <li>• Telecommunication services e.g. cell phones</li> <li>• Financial transactions (e.g. ATM. INTERNET)</li> </ul>	<p><b>AS 3:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Savings</li> <li>• Investments</li> <li>• Different types of savings (e.g. call accounts)</li> <li>• Different types of investments (e.g. unit trust)</li> <li>• Compares and discusses the difference between savings and investments</li> </ul> <p><b>AS 4:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Productivity</li> <li>• Efficiency and effectiveness</li> <li>• Output and input</li> <li>• Quality and quantity Discusses the meaning of productivity</li> </ul>

<b>LO 2: SUSTAINABLE GROWTH AND DEVELOPMENT</b>			
<b>CLUSTER 3</b>	<b>CLUSTER 3</b>	<b>CLUSTER 3</b>	<b>CLUSTER 3</b>
<p>AS 1: Collects information on the influence of apartheid economic policies on ownership, poverty, wealth and quality</p> <p>AS 2: Identifies steps required to redress socio-economic imbalances and poverty</p>			
<b>CONTENT</b>	<b>CONTENT</b>	<b>CONTENT</b>	<b>CONTENT</b>
<p>AS 1: Concepts:</p> <ul style="list-style-type: none"> <li>• Apartheid</li> <li>• Apartheid economic policies on: <ul style="list-style-type: none"> <li>✓ Ownership</li> <li>✓ Wealth</li> <li>✓ Poverty</li> <li>✓ Quality</li> </ul> </li> <li>• Influences of above-mentioned policies</li> </ul> <p>AS2 Concepts:</p> <ul style="list-style-type: none"> <li>• Redress</li> <li>• Socio-economic imbalances</li> <li>• Poverty</li> <li>• Identify steps to redress social-economic imbalances and poverty</li> </ul>			

**GRADE 7 LESSON PLAN TERM 1**

Learning Area: Economic & Management Sciences	Grade 7
CONTEXT: The Economic Problem	Duration: 5weeks(10 Hours)
Date Completed: .....	

Skills	Knowledge	Values\
<ul style="list-style-type: none"> <li>• Comparing</li> <li>• Collecting</li> <li>• Reporting</li> <li>• Identifying</li> <li>• Tabulating data</li> <li>• Drawing graphs</li> <li>• Analyzing graphs</li> </ul>	<ul style="list-style-type: none"> <li>• Needs &amp; Wants</li> </ul> <p>Impact of differences of needs and wants on communities and environment</p> <ul style="list-style-type: none"> <li>• Primary sector</li> <li>• Secondary sector</li> <li>• Tertiary sector</li> <li>• Free and Economic goods</li> <li>• Demand , demand schedule and law of demand</li> <li>• Supply, supply schedule and law of supply</li> <li>• Market prices</li> </ul> <p>Influence of demand and supply on market prices</p>	<ul style="list-style-type: none"> <li>• Responsible use of resources</li> <li>• Appreciation</li> <li>• Accountability</li> <li>• Honest and reliability</li> <li>•</li> </ul>

**LO 1: THE ECONOMIC CYCLE**

**AS 1:** Explain needs and wants and how the differences between them impact on communities and the environment.

**AS 2:** Describes the different types of business and activities within the primary, secondary and tertiary sectors

**AS 3:** Explains the concepts “free” and “economic” (scarce) goods, and the influence of demand and supply on market prices

### **ACTIVITY 1 (a) (Baseline Assessment)**

As part of revision of work done in previous phase, the teacher asks the learners to work in groups and do the following activity:

- (a) Make a collage by cutting out pictures from newspapers or magazines of things that you need and want. Divide your collage so that all the needs are together and all the wants are together.
1. In your groups also discuss how you will satisfy the needs identified.
  2. Also make a list of ideas on how you will satisfy your identified wants
  3. You will present your collage in class.
- (b) Draw up a mind-map of things that will help you get what you need or want e.g. Food – grow it or buy it

The teacher consolidates the lesson by explaining that the people often have different needs. Needs can be divided into four groups i.e. food, clothes, shelter and recreation (relaxation). They are known as primary/ survival needs. Depending on factors such as culture and environment needs may differ. As a result of this the consumer patterns (what we buy or use repetitively) of the different groups of people will also differ.

The teacher further explains that if our basic needs are provided we also have desires (things that we really would like, but we do not need for survival) There are two groups of desires i.e. goods (e.g. expensive cars, cell phones, DVD players etc)and services (e.g. hairdressing etc). To produce goods and services, we use resources e.g. water, labour, land. Equipment etc. Resources are often limited or scarce. They may not be enough for everyone to use. One resource can be used in many different ways. We need to make decisions about what the best use of a resource is e.g. a wood can be used for making furniture, making paper, making fire or for building.

**Assessment: Form: Collage Presentation Form: Checklist: Method: Teacher**

### **ACTIVITY 1 (b)**

The teacher asks the learners to brainstorm the meaning of the following concepts;

- Community
- Public goods and consumer goods
- Standard of living
- Income
- Demand
- Production

**Possible Responses:**

Community is a group of people who live, study or work together in an area

Public goods refer to the quantity of goods and services that a household (individual) has available for consumption.

Standard of living

Income

Demand

Production

The teacher explains that the communities have community needs and wants for example, they need education, protection from criminals, medical care etc. To satisfy their needs, communities need public goods and services such as libraries, street lights, police force, hospitals etc. It is the responsibility of the government to provide public goods.

S/he further explains that when more and more needs are met in a community, the standard of living will improve. People with good education and higher income can afford to satisfy their wants because their survival needs have been met. In rural areas people with unsatisfied needs turn to the environment to satisfy their needs. They plant crops, chop down trees, hunt and fish. In doing these things they often harm the environment e.g. by exterminating plants and animals and causing soil erosion.

Needs are more relevant in poor communities because of the absence of means. Wants are more relevant in better off communities because of the presence of means. Wants are important, they translate into demand, and demand eventually determines production and provides employment. Those who produce the supplies to meet the demand sometimes also harm the environment by pollution and the over-exploitation of natural resources e.g. minerals. Learners are given case studies to read and respond to questions **Annexure A**

The teacher instructs the learners to do the following survey in their community:

- (a) Find out the needs in your community. How are these needs satisfied through public goods and services?
- (b) List the needs that have not been met, and find out why they have not been satisfied.
- (c) What would you like to change in your own environment?
- (d) Both poor communities and those with a higher standard of living can affect the environment in a negative way.  
Give examples of how the needs and wants of different communities impact on the environment.

The teacher consolidates the lesson by giving feedback on survey conducted by learners.

**Assessment: Form: Survey Form: Rubric: Method: Teacher**



## **ACTIVITY 2 (a)**

The teacher asks the learners to go to

- a) Look up the meaning of the following concepts: primary, secondary, tertiary sector
- b) Give one example of each

Possible response:

- Primary sector - gets raw materials from nature in their raw form e.g. fishing
- Secondary sector - changes the raw material into finished products e.g. manufacturing
- Tertiary sector – provides goods (canned fish) and services

The teacher explains that there are 3 types of economic sectors, namely:

- a) The **primary** sector gets raw material from nature. The main industries in the primary sector are fishing, mining, forestry and farming.

The teacher asks the learners to name raw material in each industry (Possible answers: Fishing is fish, Mining is metals, minerals is gold etc, Forestry is wood and farming, food and raw material such as cotton from plants, milk, meat from animals etc. The teacher further explains that each sector of the economy involves many different activities and businesses. Using **Annexure B**, s/he explains all the different activities and businesses involved in the primary industry of forestry.

The teacher asks the learners to work in pairs and do the following homework:

1. Sugar cane farm is part of the agricultural industry. Can you think of any three other agricultural products that are grown in South Africa?
2. Mining is an important primary sector activity in South Africa.
  - a. Name four minerals that are mined in South Africa
  - b. Why is mining important to our economy?
3. Choose one of the other primary industries such as mining, fishing or farming.
  - a. Draw your own diagram of all the activities and businesses that you can think of that are involved with that primary industry.

The teacher consolidates by giving learners feedback on homework.

**Assessment: Form: Homework: Rubric: Method: Teacher**

### **ACTIVITY 2 (b)**

Secondary sector:

The teacher explains that the **secondary** sector changes the raw materials into finished products (goods demanded by consumers). The main industries in the secondary sector are manufacturing and construction e.g. manufacturing makes tin cans from the metals that were mined. The cans are filled with fish or other food. These cans are labelled with paper l and packed in cardboard boxes.

Different businesses use raw materials to produce either final or semi- final products. A semi-final product, such as bread flour, is not yet in its final form. It needs further processing by another business into bread. These businesses are known as manufacturing businesses. They produce goods in factories.

Using **Annexure C** s/he explains all the different activities and businesses involved in the secondary industry of forestry.

The teacher gives the learners the following homework:

1. List all the activities and businesses involved in the secondary sector of the forestry industry
2. Look back at your group's diagram of a primary industry (mining, fishing or farming) from Activity.2 (a). Draw a group diagram of all the secondary activities and businesses that you can think of for this industry.
3. Add a sentence or paragraph that explains how many people are now involved in the economic activities. Are there more people involved than in the primary sector? If your answer is 'yes', give reasons.

The teacher consolidates by giving learners feedback on homework.

**Assessment: Form: Homework: Rubric: Method: Teacher**

### **ACTIVITY 2 (c)**

The teacher explains that **tertiary** (service) sector is involved in providing the finished product to the consumer.

The tertiary sector consists of four groups of businesses :

1. Wholesale and retail trade
2. Transport, storage and communication
3. Financial intermediation, insurance, real estate and business services
4. Community, social and personal services

The teacher uses **Annexure D** to explain further the four groups. These businesses provide services for selling, distributing, financing and insuring products from the forestry industry.

s/he then asks the learners to use **Annexure E** to answer the following questions:

1. List all the activities and businesses involved in the tertiary sector of forestry industry.
2. Draw your own diagram of all the tertiary activities and businesses that you can think of that are involves with the primary industry that you choose in Activity 2 (a).
3. Identify seven services that tourists from abroad would usually make use of.

**Assessment: Form: Class work: Memo and Rubric: Method: Teacher**

### **ACTIVITY 3 (a)**

The teacher instructs the learners to read the following case study and then come up with their own definition of the following terms

1. Free goods
2. Economic goods

Grace and her two friends walked home from school when she sighed." What an exhausting day" , she said. "It was so hot in the classroom that I could hardly breathe!"

James agreed with her. "It felt as if there were too little air in the classroom," he said.

"Well," Tim commented, "air is one of the few commodities that is for free on this earth."

The three friends tried really hard to think of other things that were for free. "What about stones, rocks and river stones on this little path?" James asked. "Yes, maybe that is also for free", Tim answered, "or maybe it belongs to the municipality?"

'Yes, but we do not have to pay for it, there is so much of it", Grace said. "If we need goods, but we do not have to pay for it, we call it free goods. That is what our educator said".

James said there is price to goods that is in demand but there is a scarcity of these goods. "It seems that one has to pay for goods that is scarce," he commented."Indeed," Grace agreed, "That is called economic goods.

The teacher then explains that a good is “free” if it has the following characteristics:

- It has no price attached to it and cannot be brought or sold
- There is more than enough of it to satisfy everyone’s needs and wants. No one is excluded from enjoying it.
- You do not need to choose between enjoying a free good, or buying something else. You can have both.

S/he explains that ‘economic’ goods can also be called “scarce” goods. Every country is faced with the problem of **scarcity**. People have unlimited needs and wants, and as the population increases, these needs and wants increases, but the resources available to satisfy those needs and wants remain limited (scarce). One of the biggest economic problems is how to satisfy everyone’s needs and wants with limited resources.

The teacher asks the learners to study the following items and then indicate which are economic goods and which are free goods: **Items:** ( garden weeds, diamonds, ice on a barren South Pole landscape, the sun, electricity, barren rocks, motor car, fish). They can use the following table:

Free goods	Economic goods

**Assessment: Form: Class work Tool: Memo: Method: Peer**

**Activity 3(a)**

The teacher asks the learners to use their dictionaries to look up the meaning of the following concepts:

- Market (**Possible response:** A market is any interaction between potential buyers and sellers of a good or service i.e. it consists of all the sellers of a particular product, and the buyers who have the money to spend and are interested in buying that product or service)
- Demand (**Possible response:** Demand is how much consumers are willing and able to buy at a certain price.
- Supply (**Possible response:** Supply is how much producers are willing are willing and able to sell at a certain price
- Utility (**Possible response:** Usefulness of the product or service

The teacher explains that in the past, markets were confined to specific places, such as a farmers' market. Nowadays markets can be anywhere since buyers and sellers can "meet" to negotiate the exchange of goods and services using telephones, e- mails, faxes and the internet.

S/he explains the concept of utility in economics terms as the ability of a good or service to satisfy a human want. It is directly related to the demand for a good or service. Utility is the amount of satisfaction that we get from consuming (or owning) a particular good or service (e.g. 'when we are hungry the utility of a loaf of bread is high, so the demand for bread is high. As we use (eat) bread its utility decreases. Then the demand for bread also decreases. As we eat more bread, the utility which we get from eating bread will decrease with every slice we eat. As a result we will demand and buy fewer total breads)

The teacher asks the learners to discuss the following questions in pairs:

1. Discuss and explain using an example what utility means
2. Think about a good such as ice-cream, do you think it would have the same utility all year round? Would the utility be higher in summer or in winter? What does this say about utility?
3. The utility from watching a video would be high. What would happen to the utility if you watched the video ten times? What does this say about utility?

**Assessment: Form: Class Discussion Tool: Checklist Method: Teacher**

The teacher consolidates the activity by giving feedback to learners.

### **ACTIVITY 3 (b)**

The teacher explains to the learners that the price of a good or service is decided by two market forces:

- Demand is what consumers are prepared to pay for a good or service
- Supply is what producers will supply a good or service for.

The price that we charge for our goods is affected by demand and supply. In economics, "demand" for a good or service is what people want and will pay for at different prices within a given period of time. **Quantity demanded** how many of goods or services consumers are willing and able to purchase at a specific price. The teacher will introduce the demand schedule.

He gives the learners the following scenario to read and then respond to questions that follow:

Nomsa sells apples next to the taxi rank. Mary is Nomsa's customer. Mary enquires from Nomsa about the price of the apples

Mary : How much are the apples, Nomsa

Nomsa: They are R5,00 each but if you buy two you pay R4,00 each

Mary: Oh! I have R20, 00. Will you sell them to me for R2, 00 if I buy ten?"

Mary decides to draw up her demand schedule which explains how many apples she is willing to buy at a certain price

Now look at Mary's demand schedule for apples

Price per apple	Quantity demanded
R1.00	20
R2,00	10
R3,00	5
R4,00	3

1. Look at the demand schedule above and answer the following questions:
  - a. How many apples would Mary buy in a Month if they cost R1, 00 each?
  - b. How many apples would she buy if they cost R2, 00 each?
  - c. When the price of apples is low, will Mary demand a large or small quantity?
  - d. When the price is high, will Mary demand a large or a small quantity?
2. Work with a partner. Explain to each other why you think Mary would buy less when the price is higher. What is the relationship between price and demand?
3. Pretend that one of you is selling sweets to the other. The one who is the supplier must ask the customer how many sweets s/he will buy at different prices and how much s/he will pay. Draw up the demand schedule together.

**Assessment: Form: Class work Tool: Memo: Method: Peer**

The teacher consolidates the activity by summarizing the lesson by explaining that looking at Mary's demand schedule one can see that the higher the price of apples, the lower the quantity demanded. The lower the price of apples, the

higher the quantity demanded. This relationship between price and quantity demanded happens with all goods and services and it is called the **law of demand** (when the price is **high**, the demand is **low**; when the price is **low**, demand is **high**)

### **ACTIVITY 3 (c)**

The teacher explains to the learners that a **demand curve** is a line on a graph that shows the quantity of a good or service that consumers are willing and able to pay at different prices. Using Mary's demand schedule the teacher plots the demand curve using the chalkboard./OHP. The teacher shows the learners the inverse relationship between price and quantity demanded.

The teacher then asks the learners to work with a partner and do the following:

1. Use the demand schedule for sweets to draw a demand curve on a graph
  - a. Draw a vertical axis (going up and down) for price and mark the different price levels.
  - b. Then draw the horizontal axis (from side to side) which is used to show quantity demanded. Mark the different quantities demanded. Write 0 (zero) where the axes intersect.
  - c. Remember to write the headings for your vertical and horizontal axes
  - d. Plot the points on the graph
  - e. Join the points to create the demand curve for sweets.
  - f. Do you see how the demand curve slopes downwards from left to right? Why do you think it does this

**Assessment: Form: Class work Tool: Memo: Method: Peer**

### **ACTIVITY 3 (d)**

The teacher gives the learners the following scenario to read and then respond to questions that follow:

Robin and Kenny have a business baking cupcakes which they sell to tea or birthday parties. Their business is doing well but often they have too many cupcakes left over that go stale. Other times they do not have enough to meet the demand from customers. It is important that they work out how much of their good they can supply to the market and at what price.

Robin and Kenny drew up a table called a supply schedule, which shows how many cupcakes they would be prepared to produce and sell at different prices in a given time period.

Robin and Kenny's supply schedule for cupcakes.

Price per cupcake	Quantity supplied
R0,50	75
R1,00	100
R1,50	125
R2,00	150

1. Look at the supply schedule above again and answer the following questions:
  - a. Why do ladies want to supply fewer cupcakes at lower prices?
  - b. Do you think they would be happy to produce more cupcakes when the price is higher?
  - c. Is this statement true? If the price of cupcakes increased the quantity of cupcakes that Robin and Kenny would be willing and able to supply would also increase.
2. Explain to your partner why you think the boys would produce more if the price was higher. What is the relationship between price and supply
3. Together decide on a product that you could supply for sale and work out a supply schedule. A product could be a good or a service.

**Assessment: Form: Class work Tool: Memo: Method: Peer**

The teacher consolidates the activity by explaining that when producers like Robin and Kenny supply the market with goods and services it means that they make them available to consumers. The supply of a good or service is the quantity of a good or service that is available for consumers to buy.

She further explains that looking at Robin and Kenny's supply schedule; they are prepared to sell more cupcakes as the price of the cupcakes increases. We can therefore say that there is a direct relationship between the price of a good or service and the quantity of the good or service that a producer is prepared to supply. This relationship between price and quantity supplied is called the **law of supply** (the **higher** the price of a good or service, the **higher** the quantity supplied; the **lower** the price of a good or service the **lower** the quantity supplied).



The teacher gives learners the following class work

1. In the previous lesson on demand you learnt that there is an inverse relationship: between price and demand. What type of relationship is there between price and supply?
2. Now look at your own supply schedule. Write a paragraph explaining the law of supply
3. Look at the graph you drew for demand. Use the information in your supply schedule to draw a supply curve for your product.

The teacher consolidates the activity by explaining that if the price is high, there are usually fewer buyers. The lower the price, the more people will want to buy the product. Price also acts as a signal to producers and sellers. Producers and sellers (suppliers) have different needs and interests to buyers, and prices send different signals to them. In general the higher the price those suppliers can get for a product, the more they will want to supply that particular product, because they can make a larger profit. Low prices signal to suppliers that their resources (land, labour, capital and entrepreneurial ability) could be better used in another product or market.

Resources : Various textbooks, Dictionaries, Annexure and Newspapers

Teachers Reflection: Did the activities strengthen Learner's Understanding?  
Did learners perform well in assessment?  
How can I improve group work

Expanded Opportunities:

Barriers to Learning :

## GRADE 7 LESSON PLAN 2 TERM 1

Learning Area: Economic & Management Sciences		Grade 7
CONTEXT: The Economic Problem		Duration: 3 weeks(6Hours)
Date Completed: .....		
<p style="text-align: center; margin: 0;"><b>Skills</b></p> <ul style="list-style-type: none"> <li>• Comparing</li> <li>• Collecting</li> <li>• Reporting</li> <li>• Identifying</li> <li>• Tabulating data</li> <li>• Drawing graphs</li> <li>• Analyzing graphs</li> </ul>	<p style="text-align: center; margin: 0;"><b>Knowledge</b></p> <p>Concepts:</p> <ul style="list-style-type: none"> <li>• Consumer and producer</li> <li>• Employer and employee</li> <li>• Government and business</li> <li>• Rights and responsibility</li> <li>• Power relationships</li> </ul>	<p style="text-align: center; margin: 0;"><b>Values\</b></p> <ul style="list-style-type: none"> <li>• Appreciation</li> <li>• Accountability</li> <li>• Honest and reliability</li> <li>•</li> </ul>
<p><b>LO 1: THE ECONOMIC CYCLE</b></p> <p><b>AS 4:</b> Describes and debates the power relationships, economic rights and responsibilities between:</p> <ul style="list-style-type: none"> <li>• Consumer and producer</li> <li>• Employer and employee</li> <li>• Government and business</li> </ul>		

### **ACTIVITY1 (a)**

The teacher asks the learners to look up the meaning of the following concepts:

- Employer (Possible response: Employer is the person who offers the job.)
- Employee (Possible response: An employee is the person who does the work agreed upon)
- Labour relationship (Possible response: Labour relationship is the relationship between the employer and employee)

The teacher explains that one of the most important factors of production in the economy is the labour. Because it is such an important factor in the economy, the government has made certain laws that protect the rights of workers. Labour is also the most difficult factor to manage, because people can be unpredictable. The government introduces laws which make it easier for the workforce to be satisfied in their work and to be productive contributors to a growing economy.

Labour laws are the laws that explain everyone's rights and responsibilities as employers and employees. The following are the three most important laws:

- Basic Conditions of Employment Act: This law sets minimum employment standards for employers and employees.
- Labour Relations Act: This law protects workers or people looking for employment against unfair labour practices and allows workers to join trade unions.
- Employment Equity Act: This law protects workers against unfair discrimination and ensures that businesses employ a workforce that is representative of the population.

The teacher asks the learners to do the following activity:

1. The newspapers, radio and television news often have stories about the relationship between employers and employee. Try to find at least three stories. Ask older people for more information if you can.
2. Share the stories with the class. Explain what they show about employer and employee relationships. Either bring newspaper articles, or make notes about radio or TV news, or information that an older person has given you.

The teacher asks the learners to read the following **Case studies**:

Tabo's mum (producer) grew vegetables in the back garden. She produced enough spinach, beetroot and cabbage to feed her family and sell to her neighbours. She worked very hard and gradually she produced vegetables of a better quality. At end of each month she could save money. She used the money to rent a bigger piece of land so that she could grow even more vegetables. She eventually became the biggest producer of vegetables in the community. She could sell her products to the members of her community and at the same time she could maintain her own family.

She decided to open a big stall in the business centre of her community. Tabo's mum (producer) and the community (consumer) needed each other. Without the community Tabo's mum would not have done any business. Without Tabo's mum the community would have had to buy their vegetables somewhere else. The two parties satisfied each other's needs. Tabo's mum has the **power** to stop producing the vegetables that the community must buy. The community has the power to stop buying the vegetables that Tabo's mum must sell.

Tabo's mum's enterprise did very well. It did so well that two men Benny and Siphon were employed. The business did not only contribute to the economy by producing food, but it also provided jobs. Benny and Siphon benefited from the income they earned working for Tabo's mum and she benefited from their work. Tabo's mum would have liked to pay them more, but as a result of expenses and tax she could not.

The two parties (employer and employee) satisfied each other's needs. It means they have a power relationship: Tabo's mum (the employer) has the power not to employ Benny and Siphon (employees) any longer. But should she do that, she will not be able to manage her business, because she depends on their help. Benny and Siphon have the **power** to stop work, but they need the money that Tabo's mum pays them.

Tabo's mum's enterprise is influenced by laws and regulations. The government's decision to reduce the use of plastic bags is a good example. Tabo's mum used to use plastic bags for the vegetables she sold to her clients. They protected the vegetables and kept them clean. The government realized that people throw the bags away and it caused pollution. Consequently the government declared that plastic bags should be done away with to decrease pollution. Tabo's mum must pay tax to the government. The state used part of this income to build roads, put up street lights and to deliver water and electricity.

The two parties (business enterprise and the state) satisfies each other's needs and has a power relationship: Tabo's mum (business enterprise) needs roads, street lights, water and electricity that the state supplies, and the state needs the tax that Tabo's mum pays.

### What are power relationships?

As you have seen in the previous case studies, different role-players participate to ensure a successful economy. The different role-players are linked to each other. The actions of one, has an influence on the other because all role players have some power. The inter-action between the roles –players is called a relationship. This relationship can be good(positive) or bad (negative). You saw how Tabo’s mum benefited from Benny and Sipho’s work and how they benefited from the relationship at the same time. Should a producer be polite and helpful? she most probably will have a good relationship with her consumers. If an employer cares about the well-being of her workers, she probably will have a good relationship with them. If the government has fair regulations for business enterprises, the government and the business world (business sector) most probably will have a good relationship.

Complete the following table:

	Advantages gained from good relationships	Problems that can occur because of bad relationships
Consumer – producer relationship		
Employer – employee relationship		
Government (state) - business		

**ACTIVITY1 (b)**

The teacher explains that most economic relationships involve money. They in turn, give people **power** to choose and direct the flow of money to where it flows into. Each relationship involves power from both sides, and certain rights and responsibilities for each in the relationship. The government enforces laws to ensure that employers and employees have rights and responsibilities

**Rights and responsibilities of employees:**

The teacher further explains that an employee is a person who is in exchange of wages or a salary. Employees are also called workers or staff members. Employees should know that they must not work more than 40 hours per week, and that they should not earn less than a minimum amount of money per month. Employees must remember that they do not simply have rights. They have responsibilities too. These can range from doing the work they are paid to do, honest time-keeping and limiting personal phone calls. Workers have a right to join trade unions.

**Rights and responsibilities of employers:**

Teacher also explains that an employer is a person, business or other organisation that hires people to do the work in exchange for wages or salary, also has the right to join and form an employer organisation such as Bargaining Councils. Employer organisations have the right to collective bargaining ( a group of people work together to negotiate the pay and good working condition rather than one person negotiating) with trade unions. Employers have also the right to lock out workers who strike illegally. There are rules concerning when and how workers are allowed to strike.

The teacher gives the learners the following class work.

1. Make a table to compare the rights and responsibilities of employers and employees.

Employees		Employers	
Rights	Responsibilities	Rights	Responsibilities

2. Debate whether they have equal rights and responsibilities. If not, which group has more powerful rights and which has more responsibilities.
3. Discuss as a group how the Labour laws that protect employers and employees today are different from the labour laws before 1996.
4. Do our labour laws give enough protection to the following groups?
  - a. Poor people?
  - b. Unskilled workers?
  - c. People with HIV/AIDS?
5. Describe the rights and responsibilities between the government and business

The teacher marks the learner's work and provides feedback

**ACTIVITY1 (c)**

The teacher explains the **Rights and responsibilities of businesses:**

Every business produces goods or provides services to satisfy consumer wants. The owner of a business has the right to run the business for a profit. Businesses have rights, just like consumers do. They also have responsibilities towards consumers, their employees and the government. The businesses have:

<b>The right to</b>	<b>The responsibility to</b>
Produce, import, sell and export	Obey the laws that protect the rights of consumers, employees and government
Be protected against falsified (grey) goods sold at cheap prices	Adhere to the laws that prevent the exploitation of our natural resources.
Protection against criminal activities	Honour their contracts
Conclude legal contracts	Keep up to date with latest technologies so that best production methods can be used.

**Rights and responsibilities of government:**

The government plays an important role to ensure that the country is safe and healthy to live in. The government has social responsibilities towards those who cannot look after themselves such as the aged and the handicapped and provide health and educational services. Occasionally it also helps to provide goods and services to very poor households.;

The government has the right to:

- Govern the country according to its constitution.
- Expect its citizen (individuals and businesses) to obey the laws of the country.
- Expect the citizens to contribute productively to the economy.

The government 's responsibilities are to:

- Govern the country according to the rules of the Constitution
- Ensure that the basic needs of all people are provided for
- Provide the basic infrastructure (roads, bridges, ports, housing, water, power) and social services (health clinics, schools) to create a good living and sound business environment.
- Make and enforce laws that protect the rights of consumers, employees and businesses.
- Help create opportunities for employment
- Ensure that there is economic growth and development
- Ensure that the resources of the country are distributed fairly.

After the teacher's explanation, he asks the learners to describe and debate the rights and responsibilities between the government and business

The teacher provides feedback on the learners' performance by filling gaps learners might have.




RESOURCES	: Textbook, Newspapers, Television, Radio, South African Constitution etc
EXPANDED OPPORTUNITIES	: Trade Unions , Labour Laws and Entrepreneurial Laws
TEACHERS REFLECTION	<ul style="list-style-type: none"><li>▪ Were outcomes met?</li><li>▪ Did the activities strengthen Learner's Understanding?</li><li>▪ Did learners perform well in assessment?</li><li>▪ How can I improve group work?</li></ul>
BARRIERS TO LEARNING	:

## OVERVIEW GRADE 8

TERM 1	TERM 2	TERM 3	TERM 4
<b>LEARNING OUTCOMES AND ASSESSMENT STANDARDS</b>	<b>LEARNING OUTCOMES AND ASSESSMENT STANDARDS</b>	<b>LEARNING OUTCOMES AND ASSESSMENT STANDARDS</b>	<b>LEARNING OUTCOMES AND ASSESSMENT STANDARDS</b>
<b>LO 1 : ECONOMIC CYCLE</b>	<b>LO 4: ENTREPRENEURIAL KNOWLEDGE AND SKILLS</b>	<b>LO 3: MANAGEMENT, CONSUMER AND FINANCIAL KNOWLEDGE AND SKILLS</b>	<b>LO 2: SUSTAINABLE GROWTH AND DEVELOPMENT</b>
<b>CONTENT</b>	<b>CONTENT</b>	<b>CONTENT</b>	<b>CONTENT</b>
<p><b>AS 1:</b> Describes the historical development of money and its role in societies and their economies</p> <p><b>AS 2:</b> Discusses how trade (import and export) addresses the economic problem (choice and opportunity costs), and the role of banks in investing in the economy</p> <p><b>AS 5:</b> Explains what inflation is and discusses reasons for changes in inflation rates</p>	<p><b>AS 1:</b> Identifies financial institutions and organisations promoting entrepreneurship</p> <p><b>AS 2:</b> Discusses different ideas for starting a business (including ideas to attract tourists, (franchising).</p> <p><b>AS 3:</b> Differentiates between the forms of ownership in the informal and formal sectors (sole proprietor, partnership, close corporation)</p>	<p>AS 1 – Differentiates between financial concepts used in business (e.g. fixed assets, current assets, liabilities, owner’s equity)</p> <p>AS 3 – Completes source documents (e.g. receipts, deposit slips, cheques) and records elementary cash transactions in a statement of receipts and payments</p> <p>AS 4 – Uses keyboard skills and function keys in developing, storing and retrieving basic information</p> <p>AS 5 – Explains the concept and analyses a statement of net worth</p>	<p><b>AS 1:</b> Investigates and describes how the National Budget is used to influence growth and redress economic inequalities</p> <p><b>AS 2:</b> Investigates how RDP could have been used to stimulate economic growth and restructuring (e.g. capacity building, jobs)</p>
<b>CONTENT</b>	<b>CONTENT</b>	<b>CONTENT</b>	<b>CONTENT</b>
<p><b>AS 1:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Money (development of money)</li> <li>• Barter trade</li> <li>• Banks</li> <li>• Banking</li> </ul>	<p><b>AS 1:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Financial institutions</li> <li>• Financial organizations</li> </ul> <p>Identifies financial institutions and organisations promoting entrepreneurship</p>	<p><b>AS1:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Fixed assets/tangible assets</li> <li>• Current assets</li> <li>• Liabilities</li> <li>• Owner’s Equity</li> <li>• Income</li> <li>• Expenses</li> </ul>	<p><b>AS 1:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• National budget</li> <li>• Economic inequalities</li> <li>• Economic growth</li> <li>• Redress</li> <li>• RDP and restructuring</li> </ul>

<p><b>AS 2:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Trade</li> <li>• Imports</li> <li>• Exports</li> <li>• Economic growth</li> <li>• Opportunity cost</li> </ul> <p>Investment</p> <p><b>AS 5:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Inflation</li> <li>• Inflation rates</li> <li>• Reasons for change in inflation rates</li> </ul>	<p><b>AS 2:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Tourist</li> <li>• Franchising</li> <li>• Manufacturing</li> <li>• Retail/ service</li> </ul> <p>Idea generation for starting a business including ideas to attract tourist and franchising</p> <p><b>AS 3:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Forms of ownership</li> <li>• Informal and formal sector</li> <li>• Sole proprietor</li> <li>• Partnership</li> <li>• Close corporation</li> <li>• Advantages and disadvantages of different forms o</li> </ul>	<p><b>AS3:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Source documents</li> <li>• Receipts</li> <li>• Deposit slips</li> <li>• Cheques</li> <li>• Cash slips</li> <li>• Cash Transactions</li> <li>• Statement of receipts and payments</li> </ul> <p><b>AS4:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Keyboard skills</li> <li>• Storing and retrieving basic information</li> <li>• Opening and saving a document using keyboard functions and a mouse</li> </ul> <p><b>AS5:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• Statement of net worth</li> <li>• Analyse a statement of net worth</li> </ul> <p>Explains the concept and analyses a statement of net worth</p> <ul style="list-style-type: none"> <li>•</li> </ul>	<p><b>AS2:</b> Concepts:</p> <ul style="list-style-type: none"> <li>• RDP</li> <li>• Economic growth</li> <li>• Restructuring</li> </ul>
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CLUSTER 2	CLUSTER 2	CLUSTER 2	CLUSTER 2
<p>AS 3: Explains how different economic systems address the economic problem (e.g. Planned, market and mixed economics)</p> <p>AS 4: Discusses the role, rights and responsibilities of trade unions</p>	<p>AS 4: Evaluates the financial viability of a business (e.g. start – up costs, production costs, sales, profit)</p> <p>AS 5: Engages in a business activity that involves purchasing, production and marketing (should involve financing of business with own or borrowed capital – e.g. bank overdraft)</p>	<p>AS 2: Develops leadership and management strategies that will ensure a return on investments</p> <p>AS 6 – Investigates the various methods of savings and investments (e.g. savings account, fixed deposits, shares, unit trusts) and calculates returns on a variety of investments</p>	<p>AS 3: Discuss the importance of saving for investment</p> <p>AS 4: Investigates and reports on how technology can improve productivity, economic growth, living standards etc.</p>
CONTENT	CONTENT	CONTENT	CONTENT
<p>AS 3: Concepts:</p> <ul style="list-style-type: none"> <li>• Economic systems</li> <li>• Planned</li> <li>• Market</li> <li>• Mixed</li> </ul> <p>Explains how different economic systems address the economic problem (e.g. Planned, market and mixed economies)</p> <p>AS 4: Concepts:</p> <ul style="list-style-type: none"> <li>• Trade unions</li> <li>• Role of trade unions</li> <li>• Right and responsibilities of trade unions</li> <li>• Different trade unions e.g .Sadtu, Cosatu, Fawu etc.</li> </ul> <p>Discusses the role, rights and responsibilities of trade unions</p>	<p>AS 4: Concepts:</p> <ul style="list-style-type: none"> <li>• Financial viability</li> <li>• Start –up costs</li> <li>• Production costs</li> <li>• Sales</li> <li>• Profit</li> </ul> <p>Evaluates the financial viability of a business (e.g. start – up costs, production costs, sales, profit)</p> <p>AS 5: Concepts:</p> <ul style="list-style-type: none"> <li>• Borrowed capital e.g. bank overdraft, loan)</li> <li>• Purchasing</li> <li>• Production</li> <li>• Marketing</li> </ul>	<p>AS 2: Concepts:</p> <ul style="list-style-type: none"> <li>• Leadership strategies</li> <li>• Management strategies</li> </ul> <p>Develops leadership and management strategies that will ensure a return on investments</p> <p>AS 6: Concepts:</p> <ul style="list-style-type: none"> <li>• Savings account</li> <li>• Fixed deposit</li> <li>• Shares</li> <li>• Unit trust</li> <li>• Return on investment</li> <li>• Various methods of savings</li> </ul> <p>Various methods of investment (capital and saving)</p>	<p>AS 3: Concepts:</p> <ul style="list-style-type: none"> <li>• Saving</li> <li>• Investments</li> <li>• Discuss why savings for investment is important</li> </ul> <p>AS4: Concepts:</p> <ul style="list-style-type: none"> <li>• Productivity</li> <li>• Efficiency</li> <li>• Effectiveness</li> <li>• Output</li> <li>• Input</li> <li>• Quality</li> <li>• Investigates and reports on technological processes that can improve: <ul style="list-style-type: none"> <li>✓ Productivity, economic growth, living standards etc.</li> </ul> </li> </ul>

		CLUSTER 3	
		AS 7 – Describes the levels, categories, remuneration and responsibilities of jobs	
		CONTENT	
		AS 7: Concepts: <ul style="list-style-type: none"> <li>• Job Levels [skilled, semi skilled, and unskilled]</li> <li>• Job categories [organogram]</li> <li>• Remuneration</li> </ul> Describe the levels, categories, remuneration and responsibilities of jobs	

**GRADE 8 TERM 1 LESSON PLAN**

<b>LEARNING AREA: ECONOMIC AND MANAGEMENT SCIENCES</b> <b>CONTEXT: ECONOMIC SYSTEMS</b> <b>DATE COMPLETED: .....</b>		<b>GRADE 8</b> <b>DURATION: 4 weeks (8 Hours)</b>
<p align="center"><b><u>SKILLS</u></b></p> <ul style="list-style-type: none"> <li>• Comparison</li> <li>• Communication</li> <li>• Differentiation</li> <li>• Tolerance</li> </ul>	<p align="center"><b><u>KNOWLEDGE</u></b></p> <p>Concepts :</p> <ul style="list-style-type: none"> <li>• Money (development of money)</li> <li>• Barter trade</li> <li>• Banks</li> <li>• Banking</li> <li>• Trade</li> <li>• Imports</li> <li>• Exports</li> <li>• Economic growth</li> <li>• Opportunity cost</li> <li>• Investment</li> <li>• Inflation</li> <li>• Inflation rates</li> <li>• Reasons for change in inflation rates</li> </ul> <p>Historical development of money and its role in societies and their economies            How trade (imports and exports) addresses the economic problem(choice and opportunity costs), role of banks in investing in the economy            Explains what inflation is and discusses reasons for changes in inflation rates</p>	<p align="center"><b><u>VALUES</u></b></p> <ul style="list-style-type: none"> <li>• Understanding</li> <li>• Respect</li> <li>• Appreciation</li> <li>• Responsibility</li> <li>• Accountability</li> </ul>
<p><b>LO 1: ECONOMIC CYCLE</b></p> <p><b>AS 1:</b> Describes the historical development of money and its role in societies and their economies</p> <p><b>AS 2:</b> Discusses how trade (imports and exports) addresses the economic problem (choice and opportunity costs ), and role of banks in investing in the economy</p> <p><b>AS 5 :</b> Explains what inflation is and discusses reasons for changes in inflation rates</p>		

**ACTIVITY 1(a)**

(a) The teacher divides learners into groups and ask them to discuss the following questions:

- How would you buy things if there was no money?
- Discuss the difficulties of living in the world without money.

The teacher will go through the answers with learners and listen to their responses.

The teacher gives the learners a barter game **Annexure A** with instructions to perform.

**After the game they answer the following question:**

What problems did you experience while doing the activity?

**Possible answers:**

- a) Values of products are not the same.
- b) It could be difficult to get a person who has what you want or wants what you have.
- c) It is time consuming to get someone to exchange with.
- d) The exchange rate has to be agreed upon.

The teacher consolidates the lesson by adding that under normal bartering situations the division of goods is not always convenient and that the storage of wealth was the problem, i.e. items used could not be stored for a long time.

Before we had the money that is used today, people engaged in bartering.

**ASSESSMENT: Form : Class work Tool: Rubric/Memo Method: Educator**

### **ACTIVITY 2(a)**

The teacher presents learners with Annexure B1 and B2 Financial literacy notes- Where does money come from which shows the historical development of money and asks them to read.

The teacher asks them to discuss the history of money and also answer the questions posed.

### **ACTIVITY 2(b)**

Divide the class into pairs. Ask a few learners to define the term MONEY in their own words.

#### **Possible answers:**

- Money is the acceptable medium of exchange –people accept money to trade for goods and services.

An effective medium of exchange should be:

- a) Scarce-should not be easily found
- b) Durable - it must last for a long time
- c) Portable - it should be easily carried around or transported
- d) Divisible - it should be easily divided into smaller parts.

The teacher briefly explains the role of money in societies and their communities

- Money is a measure of value-people pay for goods and services with money.
- Money is a store of value-money can be saved and used in future
- It simplifies trading by allowing people to buy the goods and services they need or want

The teacher further explains and discusses the origin of banks and paper money with the class. He instructs the learners to read **Annexure C**, discuss it with their partners and then answer the questions that follow. Asks a few learners to give feedback on their answers. Check if their answers are correct.

**ASSESSMENT: Form : Discussion Tool : Checklist Method : Educator**



### **ACTIVITY 3(a)**

The teacher asks the learners to brainstorm the meanings of the following concepts using textbook glossary or dictionaries

- Trade
- Imports
- Exports

The teacher explains the above concepts and discusses Annexure D with the learners. After the discussion the teacher guides the learners through the following questions:

- a) Give an explanation and definition of the following concepts
- Import (goods and services bought from other countries)
  - Export (goods and services sold to other countries and exporter)
  - International trade (buying and selling of goods and services that takes place between different countries)

b) What are the reasons for international trade?

- Comparative advantage: some countries produce certain goods cheaper
- Tariffs are not the same
- To improve standards of living
- Some countries specialize in production of certain products

(c) The teacher further explains that when buying or selling to or from other countries you need to use money of those countries i.e. their currencies.

In order to do that we have to know the **exchange rate** –a rate at which the money of one country is exchanged for that of another country. When we buy from other countries we take money out of our country and when we sell to other countries we get money from those countries.

### Informal Task: Investigation :

The teacher asks the learners to investigate and then draw a list of at least 6 countries in different parts of the world. They must choose one country from each of the continents (excluding Australia, North America and Antarctica) and write down the name of each country, the monetary unit used and the symbol for that currency. Learners have to work over several days listening to the news on the radio, watch a financial programme on TV or get information from a newspaper. Learners also have to see if they can make a deduction or come to some conclusion by studying the information they have collected.

**ASSESSMENT: Form : Investigation(Informal), class work Tool : Rubric Method : Educator**

### **ACTIVITY 3(b)**

The teacher will refer learners to prior knowledge of needs and wants and explain that the increasing needs of people and the shortage of sufficient media of exchange (money) create what we call the **economic problem or scarcity problem**.

**The teacher continues to explain the concepts of choice and opportunity cost.**

The teacher shows learners a chocolate bar. He asks the learners who wants to buy the chocolate and goes on to pretentiously sell the chocolate bar to the learner offering the highest price.

Reflecting on the activity the teacher now asks the learner who purchased the chocolate what is he/she going to buy during break time. A possible response by the learner could be that they have no money left to buy a cool drink during break if they get thirsty. The teacher explains that the cool drink that cannot be purchased is the opportunity cost for the learner. **Therefore every choice involves an opportunity cost- the cost of choosing something else.**

As class work the teacher asks learners to think of three scenarios where they illustrate their understanding of opportunity Cost. The teacher marks the activity and does the necessary consolidation.

As homework the teacher instructs the learners to go home and look for 5 items at their homes that have been imported.

This activity is in preparation for the content that will be covered during the next lesson.

**Assessment: Form: Class work , Homework Method: Educator Tool: Checklist**

### **ACTIVITY 3(c)**

Learners return for the next lesson with the list of items and the teacher asks them to report their findings. The teacher then points out the importance of trade. Through trade different goods are made available to us. The teacher can use cell phones as an example that we will not be able to own cell phones if they were not imported. This trade addresses the aspect of choice making a greater choice available to consumers. We also have to engage in more cases of opportunity cost when we as consumers have to make choices because of the scarcity of money.

### **ACTIVITY 3(d)**

The teacher engages the learners in a discussion about what banks do with the money saved in them.

1. Banks **finance** consumers and businesses (they lend money to people and businesses who need it
  - b) They offer the following facilities :
    - a. **Overdraft** (allows businesses or people to spend more money than they have in their accounts)
    - b. **Credit card** (allows the holder pay for goods electronically and the bank transfers the money to the person who is paid).
    - c. **Loans** : the bank gives consumers a fixed amount of money that must be paid back over a fixed period of time
  - c) All debt is paid back with **interest** (cost of borrowing money. Savers also receive interest from banks for money they have saved)

### **ACTIVITY 3(e)**

The teacher asks the learners to mention the different banks that we get in South Africa. He thereafter facilitates a class discussion on the role they play in the economy. He gives the learners **Annexure E** to read, he explains it and then instructs the learners to answer the questions that follow.

The teacher marks the books and provides feedback

**The teacher consolidates by explaining the following:**

When international trade developed, this gave banks the opportunity to increase their services to customers. Banks are able to offer guarantees for the payment of goods that are transported from one country to another. Banks can also transfer money or credit from one buyers account to another.

Because individuals and save money with banks, banks are able to lend money to new and growing businesses that want extra funds to make capital investments( money to buy eg machinery for the business.) These capital investments help the economy to grow, provide jobs and produce more goods and services to meet the needs of a growing and developing population.

**Assessment: Form: Class work Method: Educator Tool: Memo**

**ACTIVITY 4(a)**

The teacher gives the learners a informal investigation on inflation to do as a class work/homework activity Annexure F. The teacher brings along pamphlets from Checkers, Pick n Pay, Spar etc. Learners do the activity in class. The teacher will go through the activity with learners.

The teacher will introduce the concept **inflation: an** increase in the general price level of goods and services. Ask the learners to write this definition in their own words.

N.B. A decrease in prices is called **Deflation**

**ACTIVITY 4(b)**

(b)The teacher will present the learners with Annexure G to read and discuss the questions that follow with partner. They will be required to write down the answers in their workbooks

## Questions

1. Explain the difference between cost -push inflation and demand pull inflation
2. Suppose there is an increase in the price of oil. Discuss how this change in the cost of a factor of production could lead to inflation.
3. Suppose banks lower interest rate they charge for loans .As a result consumers borrow more money from banks and have more money to spend .Could this lead to inflation? Give clear reasons for your answers.

**ASSESSMENT: Form : Class work Tool : Rubric Method : Educator**

In consolidating the teacher explains that the rate of inflation is expressed as a percentage. This percentage expresses in as a numeric value the rate at which the general prices of goods have increased. The changes certain factors have led to changes in inflation.

Reasons for Inflation:

- Increases in the cost of production
- Increases in the level of consumer spending.

### **ACTIVITY 4(c)**

The teacher gives the learners the following Formal Task: Investigation

Learners are to investigate how the cost of production as well as the levels of consumer spending over the last 12 months has influenced the rate of inflation. Learners also to comment whether these trends have led to an increase or a decrease in the rate of inflation.

CLASS TEST( MEMO :Annexure H pg 145 Provincial resource material)

1. Briefly explain the following concepts

1.1. Bartering

1.2. Currency

1.3. Exchange rate (3X2=6)

2. Give an example of exchange rate (2)

2. Briefly explain how money originated (10)

3. Write down the names of the currencies used in each of these countries and their symbols.

3-1-England, 3.2. USA and 3.3. Japan (3X2=6)

4. Name three roles of money in society and explain by giving examples (3X4=12) TOTAL (40)

**Resources :** Variety of Text books, newspapers, magazines, chalkboard, OHP

**Expanded Opportunities:** Interview members of banks on their role in international trade

**Teacher reflections: Were the outcomes met?**

**Did the learners perform well in assessment?**

**Did the activities strengthen the learners understand**

**How can I improve group activity**

**Barriers to Learning :**

## Annexure A

### The Barter Game

#### Instructions for educator:

1. Cut out the strips and distribute them randomly to learners.
2. Explain to learners that they are given an item that they have e.g. chicken and an item that they need e.g. milk.
3. Learners have to find another learner that has what they need and wants what they have to offer.
4. Learners then go around the class and look for their match.
5. After all learners have found their matches, the teacher reflects on the activity.
6. **Reflections:**
  - ◆ The act of swapping goods for goods is known as **bartering**.
  - ◆ It is difficult to find someone that has what you want and wants what you have.
  - ◆ Equating the value of goods is difficult eg how much chicken will be swapped for how much milk.
  - ◆ Some goods are perishable and cannot be stored for a long time.

Have	Need
Chicken	Milk







Have	Need
Milk	Chicken
Have	Need
Chicken	Carrots
Have	Need
Carrots	Chicken
Have	Need
Carrots	Shoes
Have	Need



Shoes	Carrots
Have	Need
Eggs	Milk
Have	Need
Milk	Eggs
Have	Need
Beef	Eggs
Have	Need
Eggs	Beef

## ANNEXURE B1

### The history of money

<p>5000 BC – Livestock and crops</p>  <p>Livestock such as cows, sheep and camels were the first form of money. People exchanged livestock in barter. As agriculture developed, crops such as grain and other vegetables became a standard form of barter in many cultures.</p>	<p>700 BC – Precious metal coins</p>  <p>The first coins with the familiar round shape we see today were made from precious metals such as silver, bronze and gold. These early coins first appeared in Lydia, which is part of present-day Turkey. The technique was copied and used by the Greek, Persian, Macedonian and later the Roman empires. Gold, silver and bronze were scarce so they were valuable. At first the value of the coins was according to the size and weight of the metal used. Then standardised coins were stamped with the value so there was no need to weigh them. However, dishonest people 'clipped' the coins. Clipping was shaving off tiny pieces from the sides of the coins. Coins were then made with serrated edges to avoid clipping. Some leaders started putting pictures of themselves on coins to show their power. These coins were used in the lands they conquered.</p>
<p>1200 BC – Cowrie shells</p>  <p>Cowrie shells were first used as money in China but many other societies have also used cowries as money. Cowrie shells are the most widely and longest used currency in history.</p>	<p>800 – Paper currency</p>  <p>The first paper banknotes appeared in China because the Chinese invented paper. Paper money was only introduced in Europe in the 13<sup>th</sup> and 15<sup>th</sup> centuries. The first paper money was written promises to pay certain amounts of gold and silver. The first cheques were letters of credit.</p>
<p>1000 BC – Base metal coins</p>  <p>Imitations of cowrie shells made of base metal such as copper were made in China at the end of the Stone Age. These were the earliest forms of metal coins. These Chinese coins were often made with holes so they could be put together like a chain.</p>	<p>1950 – Credit cards</p>  <p>Credit cards were first issued by the Diners' Club in the United States of America to pay for restaurant bills. American Express followed in 1958. Bank of America issued the BankAmericard (now Visa), the first bank credit card, later in 1958.</p> <p>In modern times we have virtual money such as Internet banking and automated teller machine (ATM) cards. This electronic, digital form of money is used more and more. Credit cards mean that people do not have to carry cash. ATM cards let people pay for things by drawing money directly from their bank accounts. Soon metal coins and paper money may be a thing of the past. Everyone may begin to only carry cards that represent money.</p> <p>Today –</p>

1. What would be some of the difficulties of using livestock or crops as money?
2. Why do you think cowrie shells were popular forms of money?
3. Why do you think the earliest base metal coins were made with holes?
4. What is clipping? What was done to prevent the practice?
5. What are the advantages of having paper money rather than metal coins?
6. How do credit cards work?

# where does money come from?



Shells as a monetary form

Can you imagine what life must have been like 40 000 years ago? People supported themselves by hunting animals and gathering edible plants and insects. Most of their time was spent meeting their needs for food, clothing and shelter. There was no need for money.

When people started to farm particular crops, the food they were able to produce did not satisfy all their needs. So the wheat farmers would exchange their products with those of the cattle farmers. This exchange of goods is called bartering. But there were problems with the system of bartering.

How do you decide what products have an equivalent value? Would a bucket of milk be equivalent to one bushel of wheat or two, or more? What did they do when the wheat farmer needed milk, but the dairy farmer didn't need wheat, and really needed apples? What if the dairy farmer had more milk than anyone could use or exchange at a particular time?

The farmers would need to work out a deal that they were both happy with, but

they could not always satisfy all their needs in one deal. And so, communities started to develop their own forms of what we now know as money. In the early days, many communities used shells as their money. So in our example, the wheat farmer would buy milk for 10 shells and as the dairy farmer did not need wheat at the time, he used the shells to buy apples instead.

As communities gradually settled in villages and towns, the exchange of goods and services increased and people used metals such as gold and silver as the means of exchange. Soon goldsmiths were able to process the raw product to make coins, which are easy to

carry around. Gold was probably chosen as the means of exchange because it is shiny and doesn't corrode easily.

Often coins were marked with symbols of animals, gods or rulers that indicated different values. Archaeologists who study ancient civilisations have learnt a great deal about different cultures by studying the markings on the coins.

Even in these early days, people were making counterfeit coins from lead coated in gold. In order to prevent this kind of fraud, the goldsmiths would examine the markings on the coins or weigh them against a standard genuine coin. Goldsmiths also accepted deposits of gold from people. They promised to look after the gold in exchange for a small fee. They then provided a written note promising to return the gold to the owner when it was required.

In time, the owners of the gold started to use the 'promissory note' itself to trade, leaving the gold with the goldsmith. The exchange of 'promissory notes' is probably what led to the use of 'paper money' that we know today.



Ancient Greek and Chinese coins



for more info call 0861 MINDSET (0861 646 3738)

The use of paper money increased after the invention of the printing press. The need to exchange the paper for gold disappeared as people came to value the paper itself for what it could buy. This led to the need for banks to store and protect the paper money! Banks also offered loans to help people buy what they wanted. People would agree to pay the bank back the money they had borrowed, but with interest.

Today, banks are able to lend large amounts of money to people so that they can afford to buy land, houses and cars, or to set up a new business.



After paper money came cheques. Instead of withdrawing the money every time it is needed, a person can write out a cheque which promises that the bank will pay that amount of money to the buyer.

After the cheque came 'plastic money'. The credit card allows people to make purchases at a range of shops. The shops keep a paper record of these transactions and claim the money from the banks each month. The credit card holder can pay the account in full or pay only a portion of it each month. The banks charge interest on accounts that are not paid in full.

In recent times, since the development of computers, 'plastic money' has been upgraded to 'electronic money'. The new plastic cards are linked to people's bank accounts and allow them access electronically at the point of sale. Money is transferred from the buyer's account to the seller's account. A print-out is given as evidence that the transaction has taken place. Electronic transaction can also take place over the phone or via a connection to the internet.

**ACTIVITY**  
Have a closer look at the coins and notes we use in South Africa. What do they tell us about our cultural heritage?



Electronic transactions via the internet or cellphones.



Paper money from various countries



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#### ACTIVITY

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Paper money from various countries

## ANNEXURE C



### ***THE ORIGIN OF BANKS AND PAPER MONEY***

Because bartering is such an awkward process, it eventually became essential to find something of value that could be exchanged for the items people needed. Various commodities were used, for instance sea shells, cattle, metal nails and arrowheads. The process by which another commodity is used to make bartering less complicated is called indirect bartering. As time went by, scarce metals like gold and silver became generally accepted as payment in exchange for goods. Because gold and silver cannot be destroyed and do not lose their value, people could start accumulating wealth. This is how money originated.

Even in the early days, goldsmiths had safes in which they locked away their valuables. They also allowed other people to place their gold and silver in these safes for safekeeping, and provided them with letters of proof which stated how much gold and silver they had locked away. Eventually the owners of such letters of proof realised that it was simpler to offer these letters as payments for goods, rather than take the risk of carrying the valuable metals with them for trading purposes. From this practice the establishment of banks and the printing of paper notes developed.

Study the sketch and carefully read through the passage. Discuss the content with your partner. Then write the answers in your workbook.