

Summary of Term 1

Revision

Week 1: 1-5 June 2020

The Economy: History of money

- **Traditional societies** are societies that are self-sufficient and do not use money/ communities that have simple basic needs. **Self-sufficient** are people or societies that provide for all their own needs. Traditional societies used barter to exchange goods and services. Subsistence economy is a way of living where people produce everything they need.
- **Bartering** is the exchange of goods and services without the use of money.
- **Promissory note** is a piece of paper/note on which one person writes a promise to pay the other person a certain sum of money at some time in the future.
- **Electronic banking** is using computer technology to transfer to transfer funds and complete transactions.
- **Money** is anything that is generally accepted as a means of payment for example: (coins and notes) in exchange of goods and services.

The role or functions of money:

- Store/unit of value: money carries a specific value which makes it easier and quicker for consumers to buy goods and services.
- Medium of payment: In a monetary economy the price of all goods and services are expressed in monetary terms. All goods and services have a price.
- Money is a standard for postponed payment/ standard of deferred payment: Money is the measure of value for future payments. Example: credit transactions where you agree to pay the amount owing at a future date. Money is also the means whereby credit is granted.
- maintains a healthy economy and encourages savings.'

Needs and Wants

A need is something that you cannot live without for survival. **Wants** are the things that a person can live without.

There are four basic things that individuals, families, communities and countries need in order to survive. Individuals need basic needs such as food, water, shelter and clothes in

order to survive.

Communities need houses, health care facilities, education, water and sanitation services.

Countries need natural resources/land, labour and a government that can provide for all the resources to satisfy needs.

Primary needs are needs that are essential for survival while secondary needs are the things we would like to have(wants). There are limited (fewer) resources to satisfy unlimited (more) wants.

Goods and Services

Goods are things that you can see and touch and that are produced to satisfy needs and wants. (Tangible). Examples: Consumer goods, capital goods and semi-finished goods and finished goods.

Consumer goods: Used or consumed by households e.g. food, clothing, furniture, etc.

Capital goods: Used in the production of other goods e.g. machinery and equipment in the manufacturing and construction industries.

Semi-finished goods e.g. steel to produce metal products, wood to produce furniture, etc.

Finished goods are used or consumed by households. A loaf of bread is a final good.

Services

Services are things that you cannot see/touch and that people do for others e.g. teaching, nursing, etc. (Intangible)

Personal services (doctors, lawyers and dry cleaners) and commercial services (banks, transport - taxis, post office)

Producers are those businesses or people who make or produce, grow goods and render

services which satisfy the needs and wants of consumers. E.g. Farmers, bakers, builders, doctors, teachers, etc. A household can be a producer e.g. being an entrepreneur – starting their own businesses and working for themselves and not for someone else.

A consumer is a person who purchase or use goods or services to satisfy his/her needs and wants. Consumers are people who buy the goods made by the producers, or use the services offered by the producers or service providers, in exchange for money.

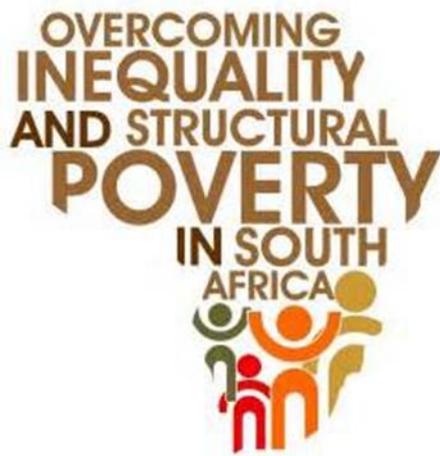
Recycling is the efficient and effective use of goods and services in order to conserve/preserve the resources. This can be done as follows:

- a. Reduce the use of electricity when not in a room
- b. Reuse use old plastic bags to make mats
- c. Recycle glass, paper, cans to be used as recycled furniture, bags, cups, etc.
- d. Use old wires to make toy cars to sell.
- e. Use of old cool drink cans and bottles to make vases, etc.

Inequality and Poverty

Socio economic imbalances can be caused by the uneven distribution of social and economic resources such as land, education, health care as well as unfair laws that control the distribution of these resources.

Economic imbalance is when some people have more which other people do not have. The economic injustices of the past can be addressed through a good education system and job creation. The urban and rural people are faced with different challenges such as housing, jobs, public transport, sanitation and infrastructure development. Sustainable job opportunities may be created in a stable economy. Give learners examples in relation to the current situation in terms of jobs, infrastructure, health, sanitation, housing and education.



Causes of socio-economic imbalances

1. Apartheid policy:

The apartheid era in South Africa caused many inequalities that are now being addressed. The policy divided all South African people into racial groups

2. Poverty

This is when people are struggling to survive and are often faced with challenges

of being unable to pay for basic needs. Poverty includes lack of basic services such as water, sanitation and electricity. Some people have some form of income but also faces continuous financial difficulties.

3. Unemployment

Is a situation where people are willing and available to work cannot find jobs. Unemployment creates social imbalances as unemployed people have no money to part in the economy. Unemployment often result in crime including burglaries; robberies; hijacking and theft.

4. Access and quality of education

Poor people still find it difficult to pay for school fees, transport cost and for tertiary education. High pupil- teacher ratios. Lack adequate facilities and resources for school in poor areas. Maintenance of school buildings and equipment not done in poorer schools.

5. HIV and AIDS

South Africa has the second highest number of Aids sufferers in the world (around 18%). When parents and people who are working die of the disease, it leaves children and those they were taking care of in poverty.

Activity 1:

Baseline activity on History of money

Match Column A with Column B

COLUMN A		COLUMN B	
1	Exchanging goods for other goods without using money	A	Promissory notes
2	Money systems of different countries	B	Watermark
3	A characteristic of money	C	Traditional societies
4	Automatic Teller Machine	D	Compare
5	To move money from one account to another	E	Denominations
6	People are self-sufficient and do not use money	F	ATM
7	Different values of coins	G	Bartering
8	Describe what is similar and what is different between two or more things	H	Electronic Funds Transfer
9	Notes of agreement where one person agrees to pay an amount to the other	I	Currencies
10	Barely visible image that can be seen on both sides of money	J	Scarce

Activity 2:

Revision activity on History of money

1. Explain the following concepts:
 - 1.1 Bartering
 - 1.2 Promissory note
2. Write down four sentences to explain the important role money plays in the economy.

Possible Answers: Activity 1

1. G
2. I
3. J
4. F
5. H
6. C
7. E
8. D
9. A
10. B

Possible Answers: Activity 2

- 1.1 Bartering is the exchange of goods for goods without using money.
- 1.2 Promissory note is written and signed note in which one party (the payer) promises to pay a sum of money to the other party (the payee), either at a specified time or on demand by the payee under specified terms.
- 2 The role /functions of money:
 1. Store/unit of value: Wealth is held in the form of money. Example property, shares and investments.
 2. medium of payment: In a monetary economy the price of all goods and services are expressed in monetary terms. All goods and services have a price.
 3. Money is a standard for postponed payment/ standard of deferred payment: Money is the measure of value for future payments. Example: credit transactions where you agree to pay the amount owing at a future date. Money is also the means whereby credit is granted.

Activity 3: Needs and Wants

1. Describe the difference between needs and wants and give one example of each.
2. Name two basic types of needs.

3. Briefly discuss why have unlimited wants and why not all these wants cannot be satisfied.

Possible Answers: Activity 3

1. A need is something we cannot live/survive without e.g (food/ cothes/shelter/ water). A want is a desire for something we cannot live without. (designer clothes)
2. Primary and secondary needs.

Activity 4: Goods and services

1. What other name do we give to goods and services?
2. Give a definition of services.
3. Distinguish between consumers and producers.
4. Recommend ways in which a friend can become a more efficient consumer

Possible Answers: Activity 4

1. Commodities
2. Services are things that other people do for us that we pay for. We cannot touch them, but they have value for us
3. People who produce goods and services are called producers and those who use them are consumers.
4. By reusing and recycling them and reducing the amount of waste that occurs when we satisfy our needs and wants.

Activity 5: Inequality and Poverty



Picture A



Picture B

Study the pictures above and answer the questions that follow:

1. Give 2 things how you can tell that the people in Picture A are poor.

2. Give 2 things how you can tell that the people in Picture B are wealthy.
3. Which basic needs the people in Picture A are able to satisfy. Mention only 3.
4. What do you understand by socio-economic imbalance?
5. List 5 causes of socio-economic imbalances in South Africa.

Possible Answers: Activity 5

1. Poor housing structure, they fetch water far away from their homes, poor infrastructure etc.
2. A huge luxurious house or quality housing, a big yard or land for one family,
- 3 Water; Shelter and air
4. Socio-economic imbalances refer to large differences in the standard of living of people in a country. It is the uneven spread of the social and economic resources. Inequality is another word used for imbalances.
5. Geographical distribution of resources; Standard of living; Poverty; Access to adequate health care and Government laws that control the distribution of resources

NOTE TO TEACHERS: You have an option to administer the baseline at the end of the week and rephrase questions in line with your context or use a different baseline form the exemplar provided.