

**NATIONAL CURRICULUM STATEMENT
ECONOMIC AND MANAGEMENT SCIENCES
LESSON PREPARATION**

TERM 2

GRADE	7	SUBJECT	EMS	WEEK:	4	HOURS:	30 MINUTES	PERIOD:	4		
DATE STARTED:						DATE COMPLETED:					
TOPIC: FINANCIAL LITERACY INCOME AND EXPENSES											
LINKS WITH PREVIOUS LESSON: ❖ Types of personal expenses					LINKS WITH NEXT LESSON(S): ❖ Types of income that businesses receive						
CONTENT: Introduction to personal statement of net worth					KEY TERMS (VOCABULARY): Assets, liabilities, net worth						
TEACHER ACTIVITIES					LEARNER ACTIVITIES			DURATION			
INTRODUCTION Ask the learners the following question: Q: What is the difference between an asset and a liability? A: An asset is possessions that a person/ business own and a liability is debts that a person/ business owe to another person or business or a financial institution.					➤ Learner's answer the questions ask by the teacher.			Introduction: 5 min			

<p>➤ A personal statement of net worth describes the financial position of a person at a particular point in time.</p> <p>➤ If a person sells everything he or she owns (assets) and pays all his or her debts (liabilities), the amount that is left will be how much he or she is worth in financial terms. $A - L = NW$</p> <p>➤ Activity:</p> <ul style="list-style-type: none"> • Let learners name everything that they have in their household and what they owe to other people or financial institutions (they do not put any amounts to it) • Write all the answers on the chalk board. • Make two columns with headings Assets and liabilities and write the answers in the different columns – this will help the learners to differentiate between assets and liabilities. <p>Steps to calculate your net worth Step 1: Make a list of all your assets Step 2: Make a list of all your liabilities Step 3: Subtract your total liabilities from your total assets. This is your net worth. Assets – Liabilities = Net worth ($A - L = NW$) Assets – Liabilities = Net worth 2 000 – 1 300 = 700</p>	<p>➤ Learners listen, take notes and answer any questions that the teacher poses to them in class.</p> <p>➤ Learners give answers while the teacher writes it on the chalk board.</p> <p>➤ Learners write down the steps to calculate net worth in their workbooks.</p>	<p>Lesson: 20 min</p>
<p>➤ Allow and assist learners to complete Activity 4 in class and mark the activity.</p>	<p>➤ Learners ask questions for clarity and copy or complete Activity 3.</p>	<p>Activity 4: 10 min</p>

TEACHING STRATEGY/METHODOLOGY

Co- operative learning	✓	Lecture / Direct instruction	
Discussion	✓	Visual/ Practical Demonstration	✓
Explanation	✓	Simulation	
Observation		Use of technology and instructional resources	✓
Question and answer	✓	Role playing	
Pre-test		Interviews	
Other :		Other:	

ASSESSMENT							
FORM				TOOL		METHOD	
Data Response		Poster		Memorandum	✓	Baseline	
Project		Class work	✓	Rubric with criteria		Formal	
Case Study		Homework		Checklist		Informal	✓
Control Test		Assignment		Observation Sheet		Educator	✓
Examinations		Class Test		Other:		Self	✓
Debate		Data Response				Peer	✓
Drama		Other :				Other :	
RESOURCES: OHP/Whiteboard/ Chalkboard/Worksheets/Hand-outs, pencils, pens, Textbook(s), Charts, class notes.							
TEACHER REFLECTION				EXPANDED OPPORTUNITIES/ ENRICHMENT			
<hr/> <hr/> <hr/> <hr/> <hr/> <hr/>				<ul style="list-style-type: none"> • Use either PowerPoint presentations, colourful charts or adjust the font size of notes for learners who are visually impaired. • Allow for peer teaching to accommodate learners who do not speak the language of instruction. • Complete activity with learners in class showing them step by step what to do. 			

Support Material

The statement of net worth is drawn up to determine the value of a person or business. (Similar to Balance Sheet and Accounting Equation)

Assets – Liabilities = Net worth (A – L = NW)

Assets – Liabilities = Net worth

2 000 – 1 300 = 700

Personal Worth:

Assets	Liabilities	= Net Worth
Clothes, Games, cell phone, Books R1 900 + R500 + R500 + R200	Owing brother money for airtime - R120	
R2 900	- R120	= R 2 780

Example of a business' net worth:

It is a list of everything the business owns or their possessions less than what they owe (debts).

Net worth is calculated by comparing an individual or business asset against liabilities or debts.

Net worth = Assets (A) – Liabilities (L)

Net means that something has been deducted from the total amount.

Assets – Liabilities = Net worth

- Calculating the Net Worth:

Use the following information to draw up a statement of net worth for Gezani Electrical.

Gezani Electrical owes Standard Bank R100 000 on their office block/buildings. The value of the vehicle is R50 000 and the vehicle finance by Standard Bank amount to R25 000. They have invested R250 000 and all their computers in printers are valued at R50 000.

Example 1:

Value of what you OWN Assets	Value of what you OWE Liabilities	NET WORTH
R350 000	R125 000	R225 000

Example 2:

ASSETS (What we own)	LIABILITIES (What we owe/Debts)	NET WORTH
	Debts:	
Investment: R250 000	Bank Loan: R100 000	
Computers: 50 000	Vehicle finance 25 000	
Vehicle 50 000		
Total: R 350 000	R125 000	R225 000

Alternative Format of a Statement of net worth:

	R
Assets	350 000
Investment	250 000
Computers	50 000
Vehicle	50 000
Liabilities	(125 000)
Bank loan	100 000
Vehicle Finance	25 000
Net worth	225 000

Expanded Opportunity**Activity 4**

Use the following information to draw up a statement showing the net worth of Valhalla Hardware.

Valhalla Hardware has the following assets.

Motor vehicle	R 180 000
Buildings	R 200 000
Equipment	R 45 000
Electric switches	R 60 000
Transformers	R 24 000
Gas Heaters	R 15 000
Grinders	R 12 000

Valhalla Hardware has borrowed R 190 000 from Nedbank and he owes Bosch R10 000.

Assets:	R
Total Assets	
Motor vehicle	
Buildings	
Equipment	
Electric switches	
Transformers	
Gas Heaters	
Grinders	
Liabilities:	
Total Liabilities	
Bank Loan: Nedbank	
Bosch	
Net Worth	