

Grade 7 EMS Worksheet

Assessment Task: Methods of saving

Methods of saving (Individual activity)

List two advantages and two disadvantages of the following savings methods in the table below.

[16 marks]

Form of saving	Description	Advantage	Disadvantage
Keeping your money at home	Keeping money in a piggy bank, a safe or anywhere at home		
Saving at the Post Office	Opening a savings account at the post office		
Saving at a bank	Opening a savings account at the bank		
<i>Stokvel</i>	Placing money in a <i>stokvel</i> monthly. Each month a different person in the <i>stokvel</i> receives the lump sum, or once a year the savings are divided among all the members		

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Suggested Solutions

Question number	Possible marks	Solution			
1	16	Form of saving	Description	Advantage	Disadvantage
		Keeping your money at home	Keeping money in a piggy bank, a safe or anywhere at home	You have your money available at any time; No bank charges [2 marks]	High risk, for anybody can get hold of your money; You don't earn interest; You can spend it unnecessarily (any two) [2 marks]
		Saving at the Post Office	Opening a savings account at the Post Office	You earn interest; Your money is safe; Withdraw money at any Post Office (any two) [2 marks]	Charges for withdrawing money; No ATMs [2 marks]
		Saving at a bank	Opening a savings account at the bank	You earn interest; Your money is safe; You can do Internet/cell phone banking; You can use ATMs, which give easy access to money; You have different banking options (any two) [2 marks]	Higher bank charges High ATM costs [2 marks]
		<i>Stokvel</i>	Placing money in a <i>stokvel</i> monthly; Each month a different person in the <i>stokvel</i> receives the lump sum or	No bank charges; You cannot spend your money unnecessarily; You can use the lump sum for whatever is required (any two) [2 marks]	No interest earned; You have to be able to trust the people who keep the money (high risk) [2 marks]

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			once a year the savings are divided			