

## Grade 7 EMS Worksheet

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### Assessment Task: Supply and Demand – The economic problem

#### The link between the economic problem and demand, needs and wants (Group activity)

Look at the 12 consumer goods listed below and answer the questions that follow.

bread, cell phone, cough mixture, designer jeans, electricity, hearing aid, home, iPod, reading glasses, slippers, sun glasses, walking stick

1. Divide the goods, in table format, into goods that are needed and goods that are wanted. [12 marks]

Goods that are needed	Goods that are wanted

2. Is there a bigger demand for needs than for wants? Explain your answer. [3marks]

3. One of the items on the list is a home. Everybody needs a home, yet many people in South Africa do not have homes.

Refer to the economic problem and explain why this is so. [5 marks]

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### Suggested Solutions

Question number	Possible marks	Solution				
1	12	<table border="1"> <thead> <tr> <th>Goods that are needed</th> <th>Goods that are wanted</th> </tr> </thead> <tbody> <tr> <td>bread, electricity, home, reading glasses, walking stick, hearing aid, cough mixture</td> <td>cell phone, designer jeans, iPod, slippers, sun glasses</td> </tr> </tbody> </table>	Goods that are needed	Goods that are wanted	bread, electricity, home, reading glasses, walking stick, hearing aid, cough mixture	cell phone, designer jeans, iPod, slippers, sun glasses
Goods that are needed	Goods that are wanted					
bread, electricity, home, reading glasses, walking stick, hearing aid, cough mixture	cell phone, designer jeans, iPod, slippers, sun glasses					
2	3	There is a bigger demand for needs than for wants, ✓ because needs are goods that you cannot do without, ✓ for example cough mixture. When you are ill, you need this to make you feel healthy again. You can do without wants. ✓				
3	5	The economic problem refers to unlimited needs that have to be satisfied with limited resources. ✓ In South Africa, many people cannot afford to buy homes. ✓ Many of them are unemployed and do not have an income, and therefore they don't qualify for home loans. ✓ People have limited resources. There is also a shortage of houses in South Africa. ✓ There is not enough money to build all the houses that are necessary to satisfy the demand. ✓				