

Grade 9 EMS Worksheet

Economic growth, economic development and the national budget

Answer the questions below in your workbook.

- a) What is economic growth? [1 mark]
- b) What is economic development? [1 mark]
- c) Why does South Africa need both economic growth and economic development? [2 marks]
- d) Explain the difference between developed and developing countries and give three examples of each. [4 marks]
- e) Explain how the national budget works. [7 marks]

Peer assessment checklist

Criteria	Yes	No
My partner could explain what economic growth is.		
My partner could explain what economic development is.		
My partner could explain why South Africa needs both economic growth and economic development.		
My partner could explain the difference between developed and developing countries.		
My partner could explain how the national budget works.		
My partner displayed empathy with the challenges of developing countries.		
My partner and I worked well together.		

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Suggested Solutions

Question number	Possible marks	Solution
1	15	<p>a) Economic growth occurs when a country produces and consumes more goods than it has done in the past. More money exchanges hands in the country's economy. [1 mark]</p> <p>b) Economic development has to do with the increase in the standard of living of the people in the country. It involves human development or upliftment of people in areas such as education, employment and health. [1 mark]</p> <p>c) South Africa is a developing country, and we need both economic growth and development, because many of our citizens are poor and live below the breadline. Economic growth alone does not directly benefit poor and unemployed people, because their participation in the economy is minimal. Development initiatives are needed to improve their standard of living. [2 marks]</p> <p>d) A developing country has high levels of unemployment and poverty and mainly exports raw materials and not manufactured goods. Examples that can be included are many Africa countries, South American countries, China, India, Mexico, etc. Further examples can be found in the International Monetary Fund's World Economic Outlook Report, April 2009.</p> <p>A developed country is wealthy and has a high level of development. It exports mainly manufactured goods and has an advanced economy. Examples are the USA, United Kingdom, Belgium, France, Canada, Australia, New Zealand, Sweden, Germany, etc. [4 marks]</p> <p>e) The national budget is the plan of the expected income and expenditure of Government for a financial year✓. The Minister of Finance compiles the budget with inputs from Government departments, ministers and the Governor of the Reserve Bank✓. This is the drafting stage of the budget process. In February each year the Minister of Finance presents the budget to Parliament in the form of a bill✓. The Budget Bill is perused, debated and approved by Parliament and enacted, in other words it becomes law✓. This is the legislative stage of the budget process. The budget is then implemented by Government at the three levels of government: local, provincial and national✓. This is where the money that is allocated to programmes, projects and policies is spent. It is called the execution stage of the budget✓. Each year the different departments are monitored to see how they spend their allocated budgets. Audits are conducted and financial statements are compiled✓. This is the auditing stage of the budget process.</p>

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		[7 marks]
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