Economic cycle

The circular flow of money (Individual activity)

Read the case study below. The case study shows how money flows from one person to the next in the economic cycle. Make up your own case study about the circular flow of your pocket money and relate it to the class.

Sarah used R30 to buy a bookcase for her son, who is going to Grade 1. She bought the bookcase from the corner store that is owned by Jake. Jake used the R30 to put petrol in his car at the garage. He then drove to the factory to buy more bookcases. He paid the factory. The money the factory received is used to buy the materials needed to manufacture the bookcases. They buy their cardboard paper from a paper plant. The paper plant uses the money they receive from the factory to plant more trees. They use the fibres from the trees to make the cardboard box material.
Grade 9 EMS Worksheet

Suggested Solutions

Not applicable.