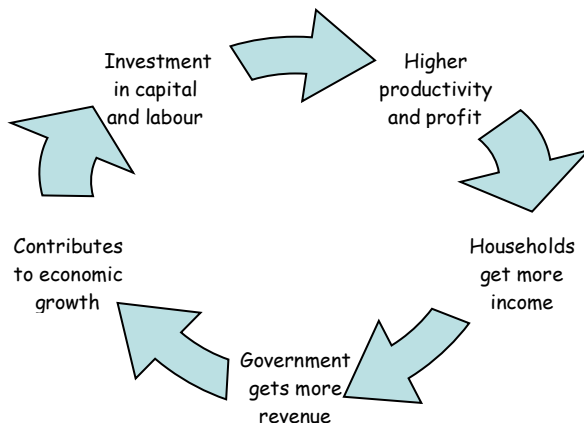


Investing in a Business

Assessment Task

How investing in a business contributes to economic growth and prosperity (Individual activity) (LO2 AS3)

The diagram shows what will happen if Sizwe's Supermarket increases its investment in capital and labour. Study the diagram and answer the questions that follow.



- How can Sizwe's Supermarket increase its investment in capital? Give three examples. [3 marks]
- How can Sizwe's Supermarket increase its investment in labour? Give three examples. [3 marks]
- Why does investment in capital and labour push up the productivity and profit of the business? How does this contribute to economic prosperity and growth? [2 marks]
- Why would households get more income? How does this contribute to economic prosperity and growth? [2 marks]
- Why would Government get more revenue? How does this contribute to economic prosperity and growth? [3 marks]

Self-assessment checklist

| Criteria | Yes | No |
|--|-----|----|
| I could explain how Sizwe's Supermarket could increase its investment in capital. | | |
| I could explain how Sizwe's Supermarket could increase its investment in labour. | | |
| I could explain why investment in capital and labour pushes up the productivity and profit of the business and how this contributes to economic prosperity and growth. | | |
| I could explain why households get more money and how it contributes to economic prosperity and growth. | | |
| I could explain why Government gets more money and how it contributes to economic prosperity and growth. | | |
| I understand how investing in a business contributes to economic growth and prosperity. | | |