GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

REMOTE LEARNING ACTIVITY BOOKLET (RELAB)

SUBJECT: ECONOMICS

LEARNER BOOK

GRADE: 10

GGT2030
GROWING GAUTENG TOGETHER

A. INTRODUCTION AND PURPOSE OF THE RELAB

The COVID-19 pandemic has created the largest disruption of education systems in human history, affecting over a billion learners in more than 200 countries. Closures of schools, institutions and other learning spaces have impacted on the majority of the world's student population. This has brought far-reaching changes in all aspects of our lives. Social distancing and restrictive movement policies have significantly disturbed traditional educational practices.

To control the coronavirus spread, most countries have been working to encourage parents and schools to help students continue to learn at home through distance learning. In South Africa, the implementation of a rotational timetable for non-matric learners has left a void in curriculum completion. The Gauteng Department of Education (GDE) has therefore embarked on an innovative initiative to develop learning activities to assist learners to continue their studies while at home through the Remote Learning Activity Booklet, also known as RELAB. This is in keeping with its Strategic Goal 2 which aims to promote quality education across all classrooms and schools.

The RELAB is underpinned by the following policies:

a) **The Department of Basic Education (DBE) Circular S13 of 2020** which requires the GDE to support the implementation of the Recovery Annual Teaching Plan (RATP); and

b) **GDE Circular 11 of 2020** which requires districts to issue learning activity packs to support schools for lockdown learning.

This is based on the premise that there are learning constraints at home whereby the majority of learners do not have access to devices or data to use for online learning. Many households are dependent on schools to provide them with learning resources packs.

RELAB is designed in a study guide format, where the content is explained briefly with related concepts as revision in the form of e.g. notes, mind-maps and content progression from the previous grade/s followed by exemplar exercises and practice exercises. The exercises are pitched at different cognitive levels to expose Grade 10 and 11 learners to the different cognitive levels of questioning as outlined in the Curriculum and Assessment Policy Statement(CAPS).

The RELAB is intended to ensure that learners work on exercises based on topics or skills taught while at school. These exercises must then be completed at home and feedback will be provided by educators. Educators will then diagnose learner responses, remediate where necessary and plan further intervention.

Educators are encouraged to create WhatsApp groups to remind learners of what is expected of them in a particular week. The prudent use of the RELAB will help alleviate the backlog in curriculum coverage and prepare learners for formal assessment.

GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

TABLE OF CONTENTS

TERM	WEEK	TOPIC	SUBTOPIC/SECTION	PAGE
TERM 1	1-2	MACRO-ECONOMICS	*ECONOMICS BASIC CONCEPTS*	5
	3 -4		*BASIC ECONOMIC PROBLEM*	10
	5 -7		*CIRCULAR FLOW & QUANTITATIVE ELEMENTS*	15
	8-10		*BUSINESS CYCLES*	33
\TERM 2	1-3	MICRO-ECO-NOMICS	*DYNAMICS OF MARKETS*	51
	4-6		*PRODUCTION POSSIBIITY CURVE*	73
	7-9		*PUBLIC SECTOR INTERVENTION*	85
TERM 3	1- 3	ECONOMIC PURSUITS	*GROWTH DEVELOPMENT & GLOBALISATION*	99
	4 - 6		*POPULATION & LABOUR FORCE*	111
	7 - 9	CONTEMPORARY ECON ISSUES	*UNEMPLOYMENT*	120
TERM 4	1 -3		*LABOUR RELATIONS*	128
	4 - 6		*ECONOMIC REDRESS*	138

MACROECONOMICS: CONTENT PROGRESSION

TOPIC	GRD 10	GRD 11	GRD 12
BASIC CONCEPTS	Economics, its methods and setting within the field and its relationship with other sciences	Principles, processes and practices of the economy. Factors of production and their remuneration. Community participation Accessibility of the economically marginalised groups.	
THE ECONOMIC PROBLEM	Problems that all economies try to solve regarding the basic processes of production, consumption and exchange, highlighting the promotion or violation of human rights and the environment.	Analysis of the economic structure of SA: Sectors, infrastructure and exclusion and discrimination in service provision and access to economic opportunity.	
CIRCULAR FLOW	Participants, markets, monetary and real flows in an open economy.	Analysis of the uses of economic goods and services in relation to GDP/GNI and the main aggregates: GVA, GNE and GNI.	Presentation of the circular flow model as a macroeconomic model: Deducing and analysing the national account aggregates: derive and apply the multiplier.
BUSINESS CYCLES	Reasons for business cycles. Explanation and illustration of their composition and noting their impact on the vulnerable		Analysis and explanation of business cycles and how they are used in forecasting.
ECONOMIC SYTEMS		Characteristics and foundations of South Africa's mixed economy and assessing its efficiency in terms of socio-economic services.	

MACROECONOMICS
TOPIC 1 . ECONOMICS BASIC CONCEPTS
WEEK 1- 2

CONCEPTS

KEY CONCEPTS	DESCRIPTION / DEFINITION
Economy	An area in which people manufacture or produce goods and services
Economics	A social science that studies the daily choices people make and how to satisfy their unlimited needs and wants with the limited means at their disposal in such a way that they achieve the maximum satisfaction
Resources	Things that can be used to achieve a certain goal, e.g. money that can be used to buy products
Needs	Goods and services the individual cannot do without
Wants	Goods and services the individual can do without
Factors of Production	Land, Labour, Capital and Entrepreneurship
Traditional Economy	The hierarchy within the society determines the allocation of the product, e.g. the food gathered is divided according to tradition and seniority within the tribe
Command economy	The authorities decide on the production and distribution of the products. Resources are used and distributed according to the government plan
Market economy	Private ownership and individual preferences are important in this type of economy. The marketplace and individuals' choice determine the production of products.
Mixed economy	There is a combination of the market and command economy, where private ownership and individual choices are important and where government also has a say in how resources ae used and distributed. South Africa is an example of this economy.
Monetary economics	This policy is the study of how money and the banking industry is controlled and regulated in a country.
International economics	This policy is the study of international trade and finance and why most countries need to import and export products.
Public Sector economics	This policy deals with the decisions and policies made by a country's government.
Developmental economics	This policy is the strategies and policies that help countries to develop and grow.
Labour economics	This policy is deals with the demand and supply of labour within an economy
Environmental economics	This policy pays attention to environmental issues on the society and its impact on the society
Regional economics	This policy refers to the study of specific geographical regions in a country which is responsible for the production of certain goods and services.
Microeconomics	The individual's demand for a certain product at a certain price
Macroeconomics	The study of the total consumption, production, and exchange of individual, households and industries in a country.

KEY CONCEPTS	DESCRIPTION / DEFINITION
Positive statement	Fact that can be proved or disproved
Normative Statement	Opinion or value judgement
Model	It can be used to explain theories and make predictions
Ceteris paribus	A Latin term that means “with all other factors or things remaining the same”

QUESTIONS

SECTION A: TYPICAL EXAM QUESTIONS

ECONOMIC BASIC CONCEPTS

: When answering Section A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

QUESTION 1: Section A – Short Questions

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

1.1.1 Economics is a social science that studies how people satisfy their needs and wants using…

A. unlimited means
B. limited means
C. unlimited resources
D. unlimited needs

1.1.2 This is the branch of Economics that looks at the behaviour of the economy as a whole.

A. Microeconomics
B. Monetary economics
C. Econometrics
D. Macroeconomics

1.1.3 Economics can be defined as the study of how …., businesses and other organizations in our society choose to use resources.

A. countries
B. the world
C. individuals
D. society

1.1.4 This is the subject that focuses on elements such as interest rates, values and payments.

A. Business studies
B. Accounting
C. Mathematics of finance
D. Commercial law

1.1.5 This refers to the profession, jobs and position you hold during your working life.

A. Career paths
B. Career
C. Skill
D. Interest

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Macroeconomics	A. The study of money and banking.
1.2.2 Microeconomics	B. The study of the sum total of economic activity.
1.2.3 Monetary economics	C. Study the functioning of the government and its role in the economy.
1.2.4 Public sector economics	D. The study of the behaviour and decisions of individual participants in the economy.
1.2.5 International economics	E. Deals with policies that help low-income countries to develop and achieve sustainable economic growth.
1.2.6 Development economics	F. Study the effect of economic decision on the environment
1.2.7 Environmental economics	G. Study the trade and finances between countries.
1.2.8 Accounting	H. Dealing with the legal aspects of commercial transactions
1.2.9 Commercial law	I. Involve recording financial transactions.
1.2.10 Career	J. Paths that show workers how their futures could look in the working environment.
	K. The profession, job and positions you hold during your working life.

HINT: Learners must know their concepts well, as this will assist in a better understanding of the content in general. Leaners are encouraged to revise with these type of questions, that are found in Section A of the paper

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. ***No acronyms, examples and abbreviations will be accepted.***

1.3.1 The means with which goods and services can be produced.
1.3.2 The approach to economics that views the free-market economy as stable in nature
1.3.3 The approach to economics that views the free-market economy as unstable in nature
1.3.4 A statement involving a subjective value judgement.
1.3.5 A statement about objective fact or announcement.
1.3.6 The study of the efficient use or management of resources to achieve maximum satisfaction of human material wants

SECTION B

QUESTION 2:

HINT: When the question requires you to "list" or "name", you need not write a sentence but merely few words or a phrase. This MUST be done in bullet form. These types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1

2.1. Name any two fields of study that are related to economics. (2 x 1)
2.2. Name any two factors to consider when choosing a career. (2 x 1)
2.3. Name any two career opportunities you can consider if you take Economics in conjunction with other subjects. (2 x 1)

QUESTION 3:

HINT: These types of questions are applicable for 2.1.2, 3.1.2 and 4.1.2. Answers must be provided in full sentences

3.1 Why Economics is regarded as a social science? (1 x 2)
3.2 How will taking mathematics at school help you if you want to become an economist? (1 x 2)
3.3 Why do economist use models in the study of Economics? (1 x 2)

DATA RESPONSE

HINT: All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document

QUESTION 4:

Read the extract below and answer the questions that follow.

Budget 2017 – Still at the crossroads

There were no surprises in Budget 2017 relative to pre-Budget expectations, which maps out a credible path to the stabilisation of the government debt ratio over the medium term. This is the message from Arthur Kamp of Sanlam Investments. Importantly, government revenue is projected to exceed non interest spending on the Main budget by 2018/19. The treasury forecasts will consolidate budget deficit from -3,4% of GDP in 2016/17 to -2,6% of GDP in 2019/20, while gross loan debt, which investors must fund, is expected to peak at 52,9% of GDP in 2018/19.

[Source: www.Fin24.com]

4.1 Which measure is used by economists to make growth forecast from the extract? (1)
4.2 What does the treasury forecast the consolidated budget deficit to be in 2019/20? (1)
4.3 Which branch of Economics does a budget relate to? (2)
4.4 Quote ONE positive and ONE normative statement in the extract. (2)
4.5 Distinguish between a *command* and a *traditional* economy. (2x2) (4)

HINT: All section B questions have TWO 8 marks questions, numbered according to questions not like in this document.

QUESTION 5 **Paragraph type questions – Middle Cognitive**

5.1.1 Differentiate between positive and normative statement (8)
5.1.2 Discuss the difference between macro and microeconomics (8)

MACROECONOMICS

TOPIC 2 ECONOMICS BASIC PROBLEM (SCARCITY) WEEKS 3-4

QUESTIONS

SECTION A: TYPICAL EXAM QUESTIONS

QUESTION 1: **Section A – Short Questions**

HINT: When answering Section, A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct, and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

1.1.1…Economic goods are
A Freely available
B Goods that belong to anybody .
C Plentiful
D Scarce .

1.1.2 Opportunity cost is the value of
A The product
B The utility
C The next best alternative
D The value of the first best choice

1.1.3The factor of production that earns interest is
A Land
B Capital
C Labor
D Entrepreneur

1.1.4 The purpose of production is to …
A Provide goods and services
B Create goods and services
C Extract raw materials from nature
D Exchange element in the economic process

1.1.5 Things such as copper, tea, which are traded in bulk are known as….
A Commodities
B Raw materials
C Capital goods
D Intermediate goods

1.1.6 Consumption …utilities
A Creates
B Absorbs
C Extends
D Ignore

1.1.7 Wholesale markets
A Link producers and retailers
B Enable people to buy in bulk
C Link consumers and retailers
D Enable consumers to negotiate the prices of services

1.1.8 When each producer produces only component of a good ……specialisation prevails
A Entrepreneur
B Capital
C Product
D Labour

1.1.9 A market economy is dominated by
A buying with little interference from the government
B Selling with interference from the government
C Production of goods and services
D Buying and selling with little interference from the government

1.1.10 The rights that every living person should have are…….
A Consumer rights
B Physical rights
C Basic rights
D Human rights

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Pollution	A. The value of the next best good that is given up
1.2.2 Opportunity cost	B. All those buyers and sellers who influence the price of a good or service
1.2.3 Marginal cost	C. Goods that have a diminishing value
1.2.4 Nature	D. The rights that every living person should have
1.2.5 Market	E. The physical surroundings and conditions that affect people's lives
1.2.6 Durable goods	

1.2.7 Human Rights 1.2.8 Environment	F. Fossil fuel emission G. Physical world collectively H. The cost added by producing one additional unit of a product or service I. Consumption by humans

HINT: Learners must know their concepts well, as this will assist in a better understanding of the content in general. Leaners are encouraged to revise with these type of questions, that are found in Section A of the paper

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. ***No acronyms, examples and abbreviations will be accepted***

1.3.1 The basic problem that forces consumers to make choice
1.3.2 Living with less than a minimum income per day
1.3.3 Satisfaction or pleasure that is derived from the consumption, using, or possessing of a good or service
1.3.4 Goods that are not wanted for their own sake, but are needed to produce other goods
1.3.5 Industries that extract the basic raw materials from nature
1.3.6 These are markets that link producers and retailers
1.3.7 Goods or services that are provided by the government for the use of all people
1.3.8 The phase between production and consumption and it involves voluntary transactions between producers and consumers

SECTION B

QUESTION 2:

: When the question requires you to “list” or “name”, you need not write a sentence but merely the word or a phrase. This MUST be done in bullet form. This types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1

2.1 Answer the following questions.
2 1.1 Name TWO categories of scarcity. (2 x 1) (2)
2.1.2 Why does scarcity force us to make choices? (1 x 2) (2)

Useful Tips

All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document.

2.2 Study the table below and answer the questions that follow.

Real gross domestic product -
Quarter-to-quarter percentage change at seasonally adjusted annualised rates.

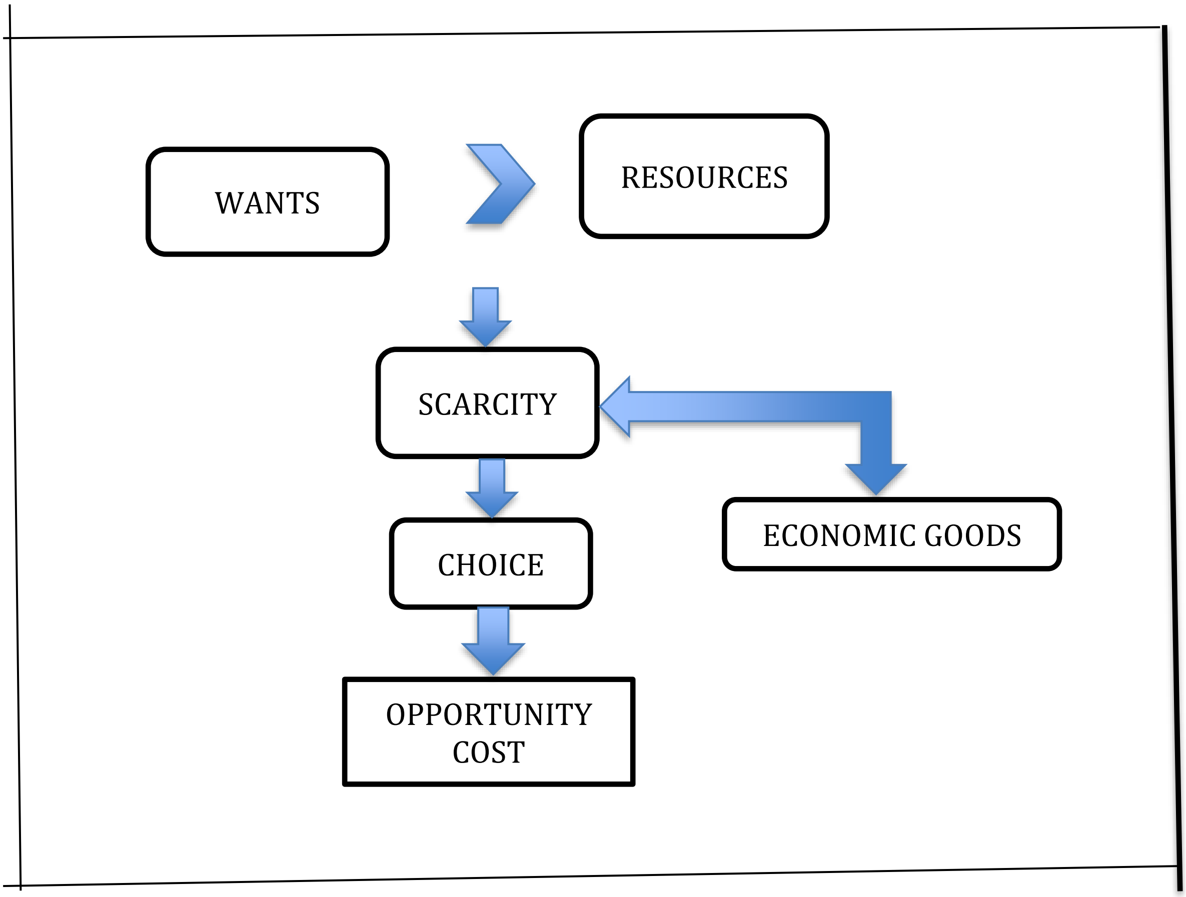
SECTOR	**2016**		**2017**				
	Q4	**YEAR**	**Q1**	**Q2**	**Q3**	**Q4**	**YEAR**
Primary sector	-8.7	-5.6	15.5	13.9	13.7	4.9	7.5
Agriculture	-4.1	-10.2	26.2	36.8	41.1	37.5	17.7
Mining	-9.9	-4.2	12.6	7.8	6.2	-4.4	4.6
Secondary sector	-1.1	0.6	-3.7	2.8	1.5	3.1	-0.1
Manufacturing	-2.5	0.9	-4.1	2.9	3.7	4.3	-0.2
Tertiary sector	2.2	1.7	-1.7	1.2	1.1	2.7	0.8
Non -Primary sector	1.5	1.4	-2.1	1.6	1.2	2.7	0.6
Total	0.4	0.6	-0.5	2.9	2.3	3.1	1.3

Percentage change over one year *(Source STATS SA)*

2.2.1 Which sector contributed the most during the last quarter (Q4) of 2017? (1)
2.2.2 Give ONE example of a tertiary sector business or industry. (1)
2.2.3 What difference do you observe between the last quarter of 2016 and the last quarter of 2017 in the agricultural sector? (2)
2.2.4 Briefly explain the term *production*. (2)
2.2.5 Why is the secondary industry needed in the economy? (4)

DATA RESPONSE QUESTION

2.3 Study the graph below and answer the questions that follow.



2.3.1 Mention ONE important question economists ask to solve an economic problem. (1)
2.3.2 Why do we say in Economics that nothing is for free? (1)
2.3.3 Briefly explain the term *opportunity cost*. (2)
2.2.4 Give an example of an opportunity cost that business faces . (2)
2.3.5 Why does scarcity force people to make choices? (4)

Question 3 **Paragraph questions**

All section B questions have TWO 8 marks questions. One is a M**iddle order** paragraph, the other is a **Higher order** paragraph

3.1 Differentiate between Free and Economic goods (8)
3.2 Suggest four possible solutions for environmental problems. (8)

TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

.

GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

MACROECONOMICS
TOPIC 3 CIRCULAR FLOW
WEEK 5 - 7

INTRODUCTORY NOTES / CONCEPTS

KEY CONCEPT	DEFINITION / EXPLANATION
Circular flow	A circular flow is the flow of production; income and spending that take place in the economy
Closed circular flow Model (Three sector model)	A model of an economy showing the interactions between 3 sectors of the economy - households, firms and the government
Open circular flow model (Four sector model)	A model of an economy showing the interactions between 4 sectors of the economy – households, firms, government and the foreign sector
Domestic economy	Economic activities that take place within the boundaries of a country
Global economy	Economic activities taking place between countries
Households	They are the primary economic participants because they own the factors of production.
Firms	Also known as producers or businesses. They manufacture goods and services
Government	Also known as the state or public sector. They provide public goods and services to society. It consists of all aspects of local, regional and national government
Foreign sector	It represents all the countries in the world. Trade takes place between different countries. It is known as international trade
Real flows	The flow of production factors as well as goods and services between the different participants
Money flows	The flow of money between the different sectors of the economy.
Leakages (L)	Out-flow of money from the circular low. It consists of savings, taxes and import expenditure
Injections (J)	In-flow of money into the circular flow. It consists of investments, government expenditure and export expenditure
Savings (S)	Portion of income not spend
Taxes (T)	It is compulsory payments to government by households and business. These levies that provide an income for government. It includes direct taxes such as personal income tax which are levied on individuals' income and indirect taxes such as VAT which are levied on goods and services
Import expenditure (M)	Expenditure that flow out of the circular flow when payments are made to foreign countries when importing goods and services
Export expenditure (X)	Income that flows into the circular flow when payments are made by foreign countries when exporting goods and services
Investments (I)	Money spent on capital goods by firms or a business
Government expenditure (G)	Spending by government during the provision of public goods and services
KEY CONCEPT	**DEFINITION / EXPLANATION**

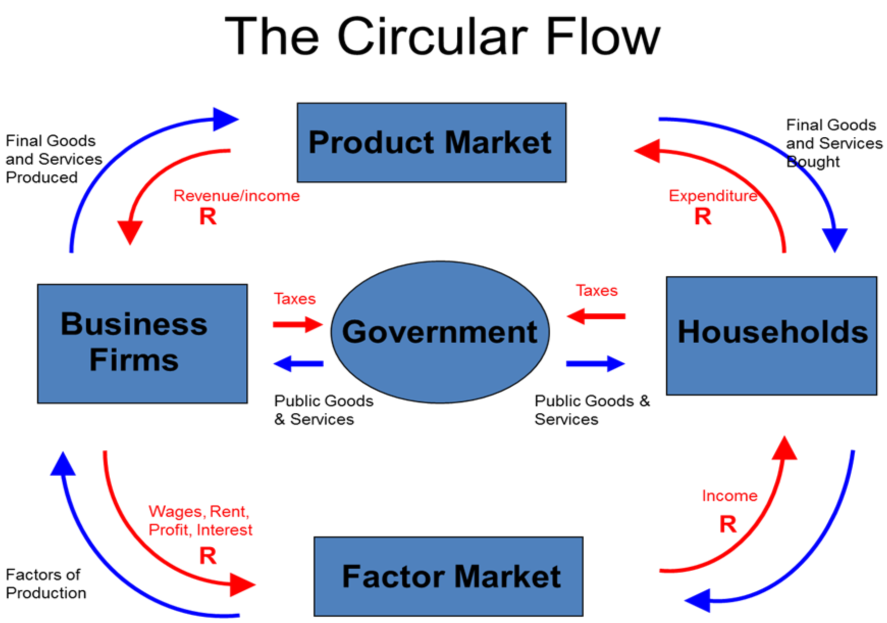
Consumer expenditure (C)	the spending of consumers on final goods and services
Disposable income (Y)	income earned after the deduction of taxes
Public goods and services	These are goods and services which are provided by the government for the use of all people
Foreign trade	The import and export goods and services between countries
Output (Q)	Total quantity of goods and services produced
Transfer payment	The payment by government to individuals and other organisations and groups without any services being rendered. It includes payments to pensioners, disabled people and children etc.
Subsidy	A payment by government to producers and consumers that lowers the market price of goods and services
Imports (M)	Goods produced by the foreign sector and purchased by the household, business or government sector in the domestic economy
Exports (X)	Goods produced by the domestic economy and purchased by the foreign sector
Customs duty	Taxes that are levied on imports and exports
Import tax	Taxes that are levied on imports
PAYE (Pay As You Earn)	Tax paid by workers calculated on the individual's total income
Fuel tax	Tax levied on each litre of petrol sold
VAT (Value Added Tax)	Tax paid on goods and services purchased by consumers. VAT rate is currently 14%. There are food items that are VAT free, e.g. bread, milk, mealie meal, fresh fruit and vegetables
Excise tax	Taxes paid on products that the government deemed to have a negative effect on people's health. Also known as sin taxes e.g. cigarettes and alcoholic beverages, etc.
Municipal tax	These taxes are levied by municipalities, paid by property owners for sewage, rubbish removal, water and electricity
Taxation on wealth	tax on property transfers and on 2nd properties e.g. a beach house
Aggregate demand (AD)	Total demand of goods and services in the economy
Aggregate supply (AS)	Total supply of goods and services in the economy
Foreign exchange	The income received from other countries when exporting to those countries
Product market	Market for goods and services
Factor market	A market where the factors of production are exchanged for income
Financial market	The financial market channel funds from surplus to deficit units in the economy. It consists of banks, insurance companies and the Johannesburg Stock Exchange.
Balance of payments (BoP)	The record of a country's transactions with the rest of the world. It includes the value of all imports and exports

DEFINITION
Circular flow
A circular flow is the flow of production; income and spending that take place in the economy.

<u>Types of circular flow models</u>

(1) Closed circular flow model (Three sector model)

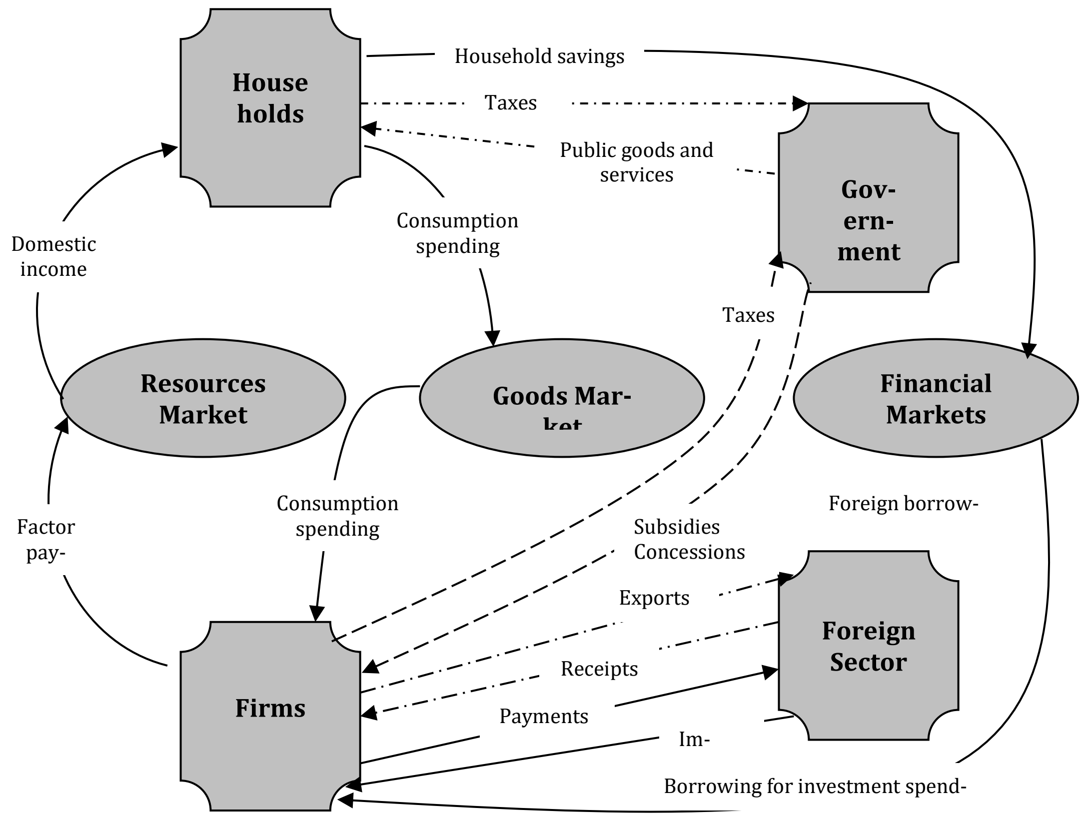
A model of an economy showing the interactions between 3 sectors of the economy - households, firms and the government.



(2) Open circular flow model (Four sector model)

A model of an economy showing the interactions between 4 sectors of the economy – households, firms, government and the foreign sector.

DIAGRAM



THE PARTICIPANTS

(1) Households

- Own the economy's resources (the factors of production) – labour, capital, land, entrepreneurial ability.
- They supply the factors of production to firms (business sector).
- In return, they demand goods and services from firms.
- They rent or sell the factors of production to firms, and in return receive **income (Y)** or payment for the factors of production from firms.
- The reward for the factors of production is wages, interest, rent and profit.
- They use part of their income to buy or **consume (C)** goods and services from firms in the goods markets.
- They also **save (S)** part of their income for future expenditure, retirement, etc., by putting their money into banks, the stock market, etc., in financial markets.
- They also pay part of their income to governments as **taxes**, and sometimes receive **transfer payments** from the government (such as old-age pensions or employment insurance or welfare).

(2) Firms

- Firms pay **factor payments** (wages and salaries, rent, interest payments, dividends, etc.) to households for the factors of production in the factor market.
- They also receive income from the sale of consumption goods from households in the goods market.
- Firms also pay taxes to the government and receive subsidies from the state.
- They borrow from financial markets to finance the purchases of **investment goods (I)** such as factories, trucks, computers, etc.

(3) Government

- This sector includes the national government, the provincial governments, as well as the municipal/local governments.
- Governments receive tax revenues from households and firms.
- Governments pay subsidies to firms and transfer payments (such as old-age pensions or employment insurance or welfare) to individuals.
- Governments buy goods and services from firms and pays for these goods.
- Firms in return can also receive tax concessions from government.
- All these transfers and payments are known as government expenditure.

(4) The Foreign Sector

- The local economy (firms) sell goods and services to foreign countries **(exports (X))** and receives an income (*receipts)*
- The local economy buys goods and services (import) from foreigner countries. They must pay for these goods and services (*payments* or import expenditure)

<u>TYPES OF MARKETS IN THE CIRCULAR FLOW</u>

(1) THE FACTOR MARKET

- The factor market is the market where the factors of production are exchange for income.
- For example, labour is hired, capital is borrowed, property is rented and entrepreneurs offer their services.
- These factors of production earn wages, interest, rent and profit

(2) GOODS OR PRODUCT MARKET

- There are literally thousands of markets for consumer goods and services.
- In Economics all these goods are lumped, and it is called a product market.

(3) FINANCIAL MARKET

- The financial market consists of banks, insurance companies and the Johannes-burg Stock Exchange.
- Savings: household and businesses do not spend all their income. They deposit it at banks or pay for insurance policies.
- Banks and other financial institutions borrow these savings to other households or businesses that need funds.

<u>REAL FLOWS AND MONEY FLOWS</u>

REAL FLOWS

There are two real flows:

(1) Flow of factors of production

- There is a flow of factors of production from households to the business sector.
- Households supply the factors of production, while businesses demand the factors of production.

(2) Flow of goods and services

- There is a flow of goods and services from the business sector to households
- Households demand goods and services, while businesses supply these goods and services.

MONEY FLOWS

- There is a flow of money from *households* to businesses.
- Households must pay for goods and services received from businesses.
- There is a flow of money from *businesses* to households.
- Businesses must pay households for the factors of production.

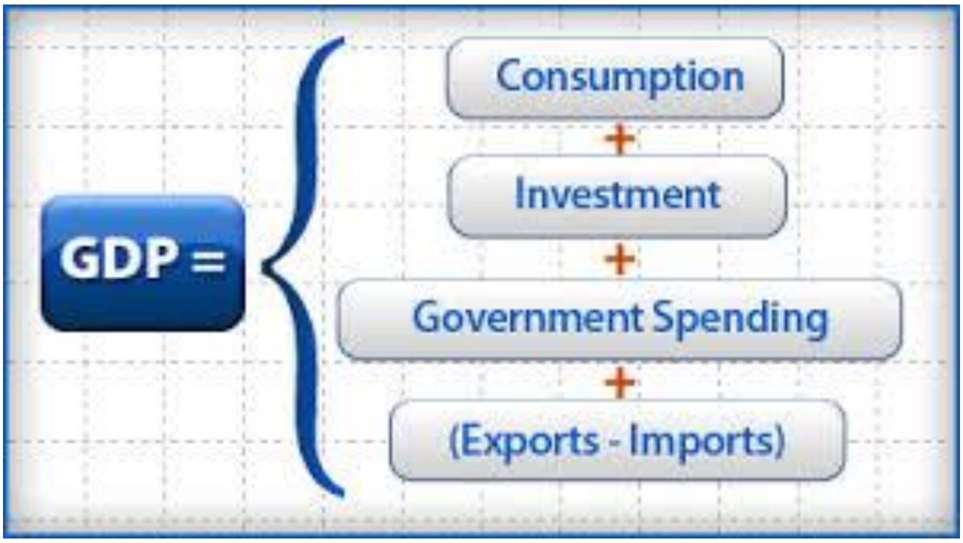
LEAKAGES AND INJECTIONS

Leakages		Injections	
Savings	(S)	Investment by financial institutions	(I)
Taxes	(T)	Government spending	(G)
Imports	(M)	Exports	(X)

- Savings as a leakage will return in the form of savings
- Taxes may return as government expenditure
- Import expenditure can be recovered through exports earnings

CALCULATING NATIONAL INCOME

Formula $Y = C + I + G + (X - M)$



Y = Total (aggregate) income in the economy

C = Consumption expenditure (spending by households on goods and services)

I = Investment spending

G = Government spending

X = Export

M = Import

Difference between "domestic" and "national" production

- **Domestic** – production within the borders of a country
  - Production of the country, including foreign investors producing in the country
- **National** – production by permanent residents of a country
  - Production of the nation, e.g. South Africans. Does not matter where they are producing, both locally as well as abroad

Gross Domestic Product (GDP)

GDP is the value of all final goods and services produced within the borders of the country within a given period.

Gross National Income (GNI) / National income

NI is the total income of the factors of production within a given period.

<u>Three methods to determine Gross Domestic Product:</u>

(1) Production method – GDP(P)

→ GDP is determined by calculating the sum value added at each stage of production. This method yields GDP at basic price.

(2) Income method – GDP (I)

→ GDP is calculated by calculating the income earned by factors of production within the borders of the country.

→ This method Yields GDP at factor cost

(3) Expenditure method – GDP(E)

→ GDP is determined by calculating the total expenditure on all final goods and services produced within the borders of the country.

→ This method yields GDP at markets prices.

EQUILIBRIUM = GDP (P) = GDP (I) = GDP (E)

<u>The importance of GDP calculations</u>

(1) Determine the standard of living in a country.

(2) Compare prosperity levels between countries.

(3) Measure economic growth from one year to the next.

QUESTIONS – CIRCULAR FLOW

SECTION A: TYPICAL EXAM QUESTIONS

: When answering Section A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

QUESTION 1: **Section A – Short Questions**

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

1.1.1 In the circular flow model …

A. households supply goods in the goods market.
B. households supply labour to firms through the factor market.
C. households are sellers in the factor market.
D. businesses are sellers in the factor market.

1.1.2 The role of the government in the circular is to …

A. collect surplus money in the form of taxes.
B. balance the cycle.
C. supply private goods and services.
D. demand goods and services from households.

1.1.3 The firm's presence in the circular flow is aimed at …

A. selling goods on the product market.
B. producing public goods.
C. buying factory services.
D. supply factors of production to households.

1.1.4 The institution in the circular flow where consumers spending is best represented is the …

A. government.
B. household.
C. firm.
D. state.

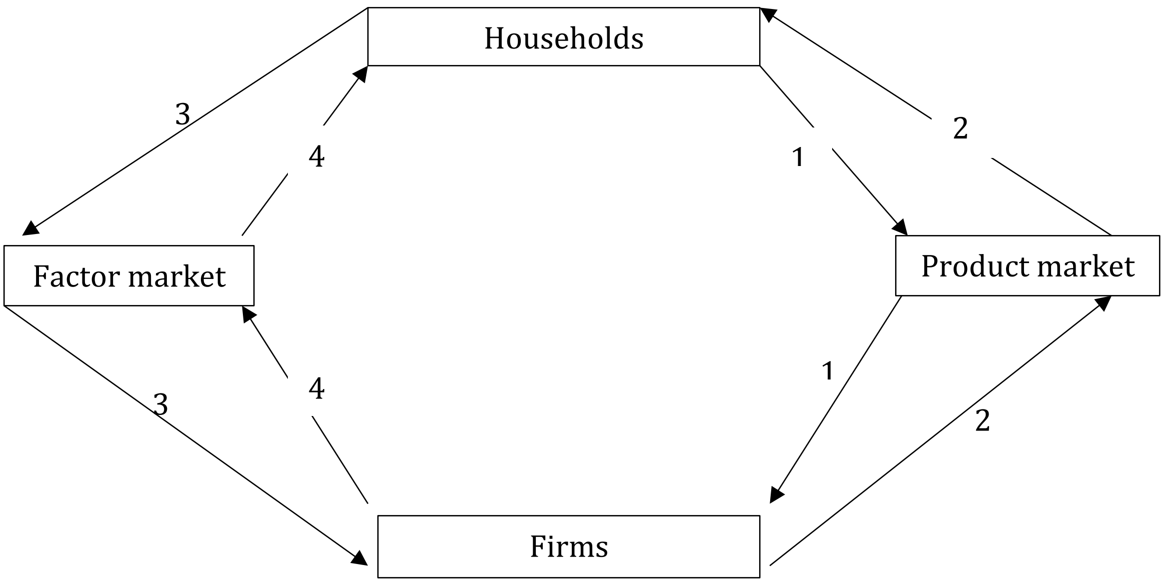
1.1.5 Which of the following does represent a leakage from the circular flow model of the economy?

A. export earnings
B. taxes
C. investments
D. government spending

1.1.6 An increase in real GDP means …

A. an increase in the inflation rate.
B. fewer goods and services are produced.
C. there are more people in the country.
D. more goods and services are produced.

Use the information below to answer the questions that follow.



1.1.7 Indicate the channels which are normally used in compiling national income.

A. 1,2,3 and 4
B. 1 and 2
C. 3 and 4
D. 4

1.1.8 In the diagram 1 and 4 represent a … flow.

A. money
B. real
C. goods
D. growth

1.1.9 Your Economics teacher purchases a new car. In which channel will the car flow be registered?

A. 1
B. 3
C. 2
D. 4

1.1.10 You receive R100 pocket money from your parents to spend. In which channel flow will the transaction be registered?

A. 2
B. 3
C. 4
D. 1

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1 – 1.2.10) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Households	A. Creation of capital goods
1.2.2 Business enterprises	B. The movement of physical goods, services and factors of production
1.2.3 Savings	C. Movement of money in the circular flow
1.2.4 Investment	D. Goods that a country produces and sold to the rest of the world
1.2.5 Real flow	E. Group of people that live together and make economic decisions
1.2.6 Product market	F. Factors that increase the circulation of spending
1.2.7 Nominal flow	G. Units that employs the factors of production
1.2.8 Exports	H. The recipients of taxes
1.2.9 Leakages	I. Factors that decrease the circulation of spending
1.2.10 Injections	J. When something is counted twice
	K. Difference between income and spending
	L. Where goods are bought and sold
	(10 x 1) = (10)

HINT: Learners must know their concepts well, as this will assist in a better understanding of the content in general. Leaners are encouraged to revise with these type of questions, that are found in Section A of the paper

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. *No abbreviations, acronyms and examples will be accepted.*

1.3.1 Payments for the factors of production
1.3.2 The market where savings and loans occur
1.3.3 The flow of spending on goods and services
1.3.4 Flow of payment in the form of wages and salaries, rent, interest and profits
1.3.5 Those goods and services that people intend to use and not to resell
1.3.6 Increase in the production of goods and services in a country
1.3.7 Measure of the level of economic activity in a country
1.3.8 Increase in economic activities whereby inflation has been taken into consideration.

SECTION B

QUESTION 2

HINT: When the question requires you to "list" or "name", you need not write a sentence but merely few words or a phrase. This MUST be done in bullet form. These types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1 in the exams.

2.1 List any TWO factors of production. (2 x 1)
2.2 List TWO examples of government expenditure. (2 x 1)
2.2 List any TWO examples of consumer spending. (2 x 1)
2.3 List the TWO flows that occurs through the goods market in the circular flow. (2 x 1)
2.4 List any TWO markets in the circular flow. (2 x 1)
2.5 List TWO methods in calculating GDP. (2 x 1)

QUESTION 3

HINT: These types of questions are applicable for 2.1.2, 3.1.2 and 4.1.2. Answers must be provided in full sentences

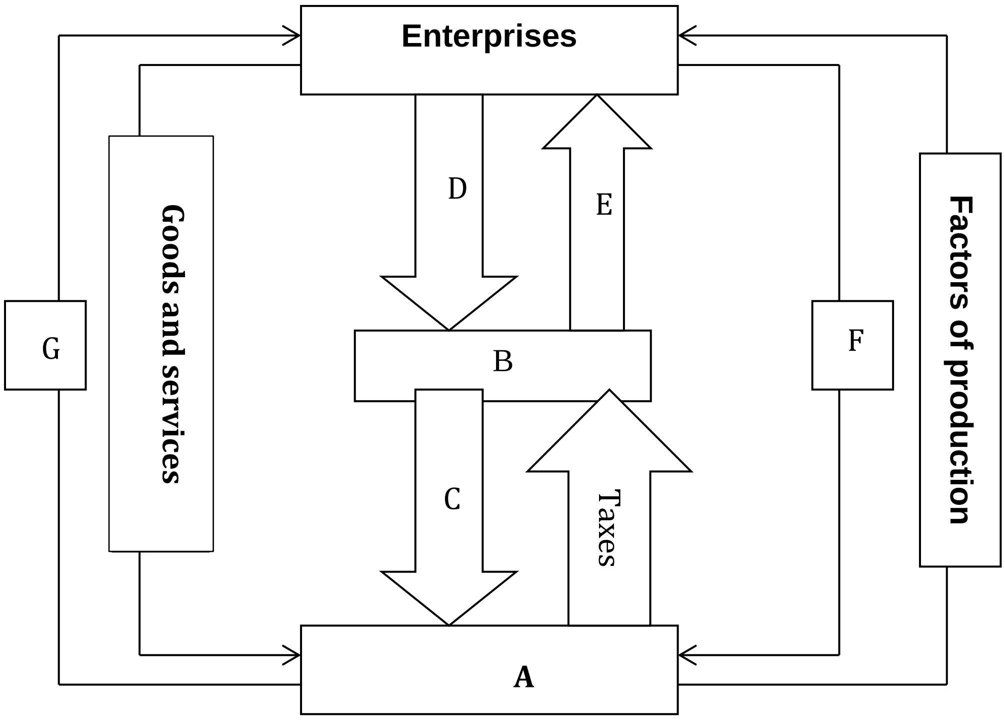
3.1 Why is the GDP greater than the GNI in South Africa? (1 x 2)
3.2 What effect will an increase in exports have on the spending flow in the economy? (1 x 2)
3.3 Why are savings regarded as a leakage in the circular flow model? (1 x 2)
3.4 Why is the flow of income in the opposite direction of the factors of production? (1 x 2)
3.5 What is the role of financial institutions in the circular flow model? (1 x 2)
3.6 What happens to the real flows in the goods market if business enterprises increase their production? (1 x 2)
3.7 What happens to the real flows in the factor markets if households increase their spending? (1 x 2)
3.8 What will the effect of a labour strike be on the flow of goods and services? (1 x 2)

DATA RESPONSE

HINT: All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document

QUESTION 4

4.1. Study the graph below and answer the questions that follow:



4.1.1	Label the letter **A** on the diagram.	(1)
4.1.2	Identify the letter that represents the payment for goods and services on the diagram	(1)
4.1.3	Briefly describe the term *circular flow*	(2)
4.1.4	What is a *real flow*?	(2)
4.1.5	How would taxes influence the economic activities in the circular flow?	(4)

4.2 Study the table below and answer the questions that follow.

Gross value added by kind of economic activity (Constant 2010 prices)		
Sector	**2019**	**2020**
Primary	304 672	295 203
Secondary	560 481	552 601
Tertiary	1 994 452	2 017 745
		Source: SARB Quarterly Bulletin (Dec 2020)

4.2.1 What method of calculating GDP is used in the table above? (1)
4.2.2 Name ONE subsector of the primary sector. (1)
4.2.3 Briefly describe the concept *Gross National Product.* (2)
4.2.4 What is a "domestic" economy? (2)
4.2.5 Calculate the GDP for 2020, using the information above. (4)

4.3 Study the table below and answer the questions that follow.

GDP and GNI for Seaside Country

Component	Rand Billions
Consumption spending by households	1 473
Government expenditure	505
Investment spending by households	468
Exports of goods and services	657
Imports of goods and services	(678)
GDP	**2 425**
Factor income earned abroad by South Africans	34
Factor income earned in South Africa by Foreigners	(87)
GNI	**???**

4.3.1 Identify ONE leakage from the table above. (1)
4.3.2 List any injection in the circular flow? (1)
4.3.3 Briefly describe the concept *Gross National Income.* (2)
4.3.4 What effect will factor income earned in South Africa by foreigners have on the circular flow? (2)
4.3.5 Calculate the GNI for Seaside Country. Show ALL calculations. (4)

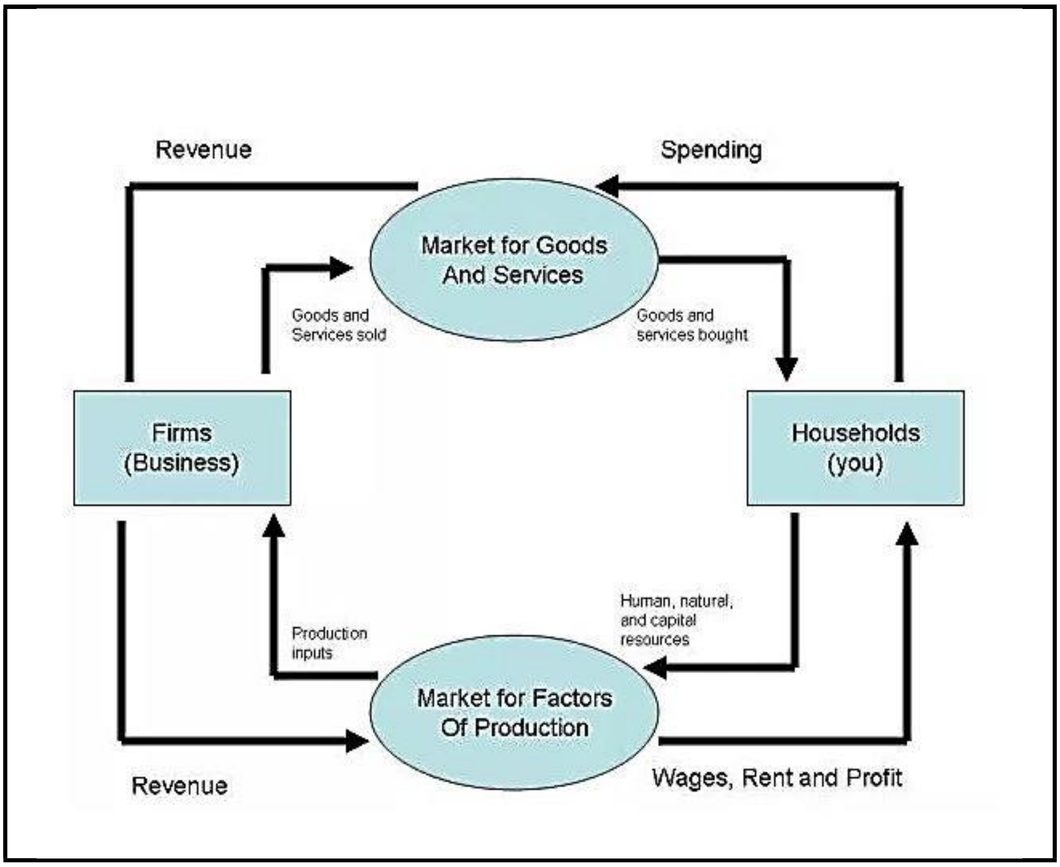
4.4 Study the information below and answer the questions that follow.

VALUE ADDED (R Millions) Current prices	2015
1. Primary sector	371 069
2. Secondary sector	751 451
3. Tertiary sector	2 467 292
4. Gross value added at basic price	**3 589 812**
5. **B** taxes on products	438 785
6. **C** subsidies on products	15 005
7. Gross domestic product at market prices	**D**

[Source: *SARB Quarterly Bulletin*, September 2016]

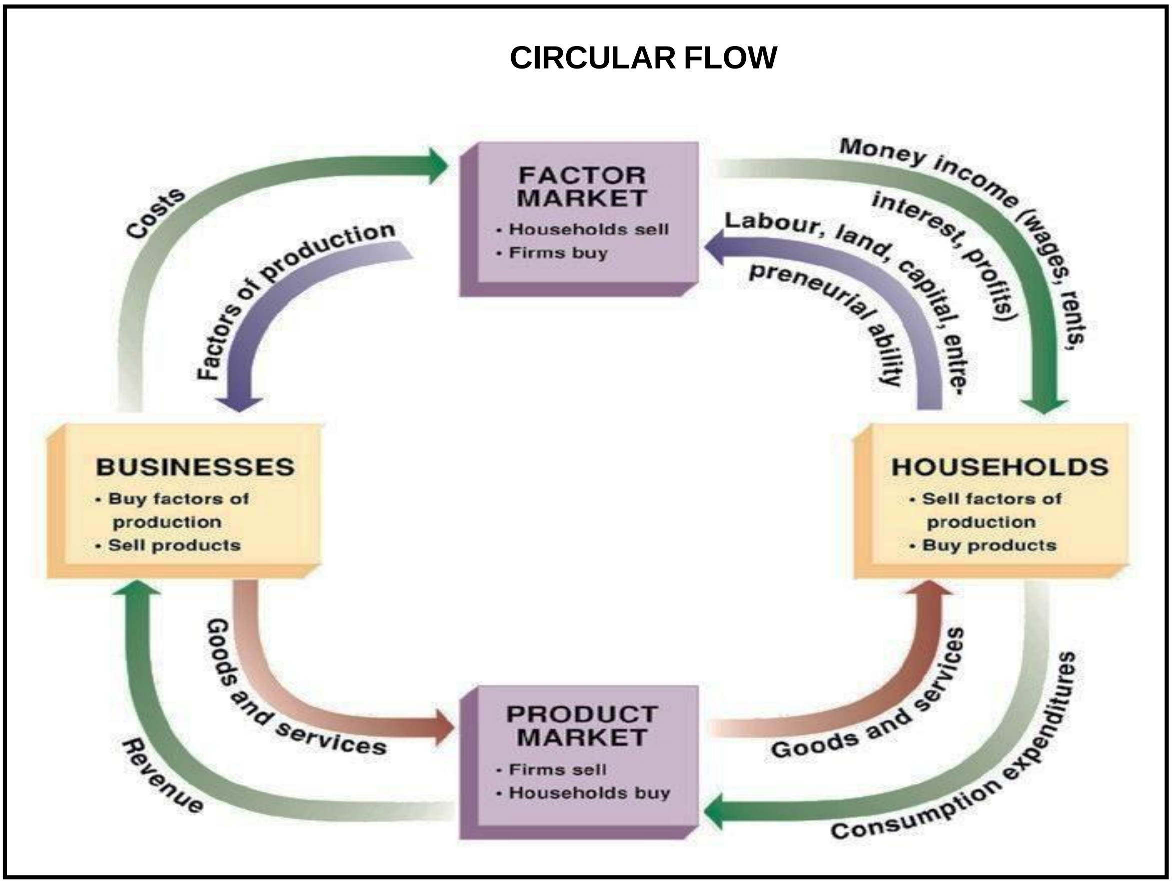
4.4.1 Identify the sector that contributed the most in the economy during 2015. (1)
4.4.2 Which method of calculation was used in the table above to determine Gross Domestic Product? (1)
4.4.3 Briefly describe the concept *Gross Domestic Product.* (2)
4.4.4 Identify the items labelled B and C. (2)
4.4.5 Calculate the GDP as represented by D. (4)

4.5 Study the diagram below and answer the questions that follow.



4.5.1 What diagram is depicted above? (1)
4.5.2 Identify the participant that owns the factors of production. (1)
4.5.3 Briefly describe the concept *leakages.* (2)
4.5.4 What are the terms that are used to describe the movement of goods and services and the movement of money in the above diagram? (2)
4.5.5 Why is the role of households so important in the diagram? (4)

4.6 Study the diagram below and answer the questions that follow.



[Source: www.google.com]

4.6.1 What type of economy is represented in the above diagram? (1)
4.6.2 Which participant in the economy will use intermediate goods? ` (1)
4.6.3 Briefly describe the concept *circular flow*. (2)
4.6.4 What is the role of households in the above diagram? (2)
4.6.5 Why is it important that the government encourages people to buy domestically produced products? (4)

4.7 Study the table below which shows the consumption of expenditure on the GDP for a given country and answer the questions that follow.

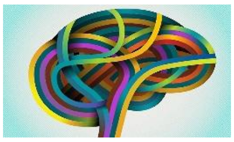
AREAS OF SPENDING	SYMBOLS	AGGREGATE SPENDING (Rm)
Consumption spending by households	C	140
Investment spending by firms	I	20
Government spending	G	90
Exports of goods and services	X	10
Import of goods and services	M	40

4.7.1 Use the figures from the table to calculate the level of aggregate spending in a domestic economy. (4)
4.7.2 Use the figures from the table to calculate the level of aggregate spending of an open economy. (2)
4.7.3 How did the opening of the economy affect the domestic economy? (4)

HINT: All section B questions have TWO 8 marks questions, numbered according to questions not like in this document.

QUESTION 5 **Paragraph type questions – Middle Cognitive**

5.1.1 Differentiate between *Gross Domestic Product* and *Gross National Income*. (8)
5.1.2 Explain the role of households in the circular flow model. (8)
5.1.3 Explain the interaction in a two-sector model. (8)
5.1.4 Explain the relationship between businesses and the state. (8)
5.1.5 Discuss the interaction between the foreign sector the business sector. (8)
5.1.6 Outline the income method as a means to determine GDP. (8)



TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

QUESTION 6 **Paragraph type questions – Higher cognitive**

6.1 How can a country benefit by opening its economy to the foreign sector? (8)
6.2 How could imports and exports influence the circular flow of a country? (8)
6.3 Use the following information to calculate the real economic growth rate for year 2. In addition, explain the impact of your answer on the economy. (8)

Year	Real GDP (R millions)
1	1 751 499
2	1 814 134

6.4 What is the significance of calculating real GDP and per capita income? (8)

SECTION C

HINT: All section C questions have TWO questions 5 & 6 NOT like in this document. In the examination you will need to answer only one.

ESSAY STRUCTURE

HINT: Section C – the long question, must be answered in FOUR sections: Introduction (definition), Body (headings and full sentences in bullets) additional part and conclusion (summarising). The mark allocations for Section C is as follows:

STRUCTURE OF ESSAY:	MARK ALLOCATION:
Introduction The introduction is a lower-order response. • A good starting point would be to the main concept related to the question topic • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body • Avoid saying in the introduction what you are going to discuss in the body	Max 2
Body: **Main part:** Discuss in detail/ In-depth discussion/ Examine/ Critically discuss/ Analyse / Compare/ Distinguish/ Differentiate/ Explain/ Evaluate	Max 26
Additional part: Critically discuss/ Evaluate/ Critically evaluate/ Calculate/ Deduce/ Compare/ Explain Distinguish / Interpret/ Briefly debate/ How/ Suggest / Construct a graph	Max 10
Conclusion Any Higher or conclusion include: • A brief summary of what has been discussed without repeating facts already mentioned in the body • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations	Max 2
TOTAL	**40**

QUESTION 7

- Discuss the role played by each participant in an open economy circular flow model. (26)
- What are the effects of an economic downswing on the participants in the economy? (10)

[40]

GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

MACROECONOMICS
TOPIC 4: BUSINESS CYCLES
WEEK 8 - 10

Basic concepts

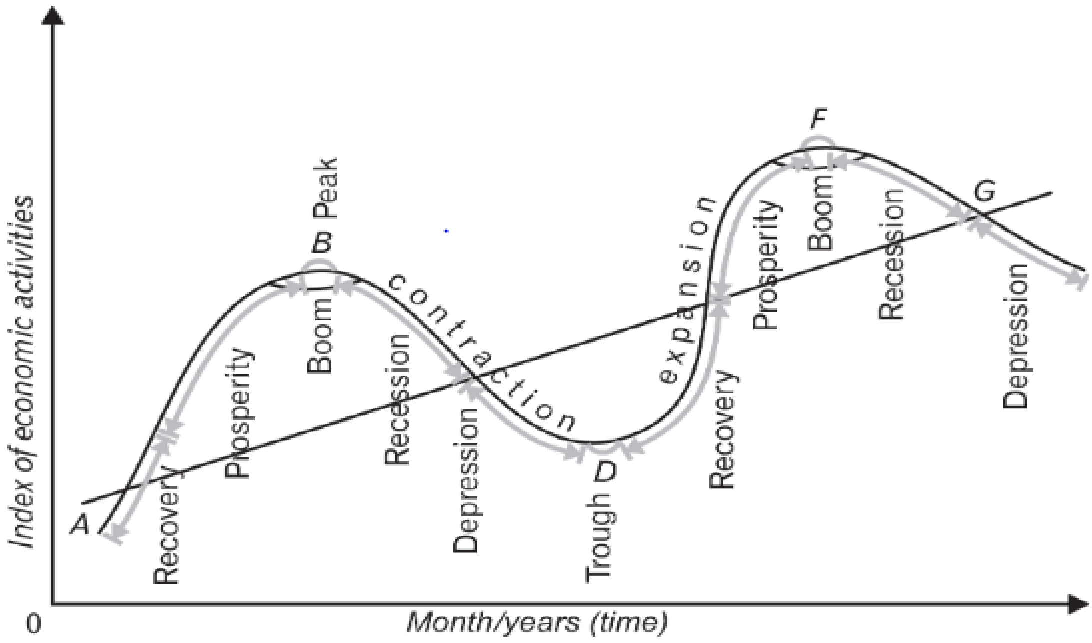
KEY CONCEPT	DEFINITION / DESCRIPTION
Business cycle	Business Cycles can be described as consecutive periods of increasing and decreasing of economic activity of a country.
Upswing/expansion phase	Increase in economic activities and an upward movement along the business cycle.
Downswing/ Contraction	Decrease in economic activities and a downward movement along the business cycle.
Recession	Slowdown in the economic activities over time
Depression	Severe slowdown of economic activities, the economic growth gets close to zero
Recovery phase	An indication that an increase in economic activities has started
Prosperity phase	The economy has recovered and is accelerating in terms growth
Peak	Economic activities are at its highest point. It signals the end of the expansion phase. From this point the contraction phase starts
Trough	Economic activities are at its lowest point. It signals the end of the contraction phase. It is a turning point indicating the start of the expansion phase
Boom	Latter part of the prosperity phase. Economic activities are at the extreme
Trend line	A line indicating the general direction of economic activity over the long term
Amplitude	The distance between the trend line and the peak and trough
Economic indicator	It is an indicator that shows or suggests how an economy is likely to behave
Lagging indicator	These activities confirm that economic activities have taken place. In other words, it confirms the state of the economy. Lagging indicators change after the cycle turned.
Leading indicator	These indicators reach a peak before economic activities peaks or reach a trough before economic activities reaches a trough.
Coincident indicator	These activities take place simultaneously with the changes in the economy. Coincident indicators change with the cycle.
Endogenous factors	Forces inside the market causing fluctuating economic activities
Exogenous factors	Forces outside that markets causing fluctuating economic activities
Keynesian view	Stipulate that endogenous reasons cause economic fluctuations. Markets are inherently unstable. Government intervention is necessary.
Interventionist view/ Monetarist view	Stipulate that exogenous reasons cause economic fluctuations. Inappropriate government policies, weather and structural changes in the economy cause business cycles

Definition

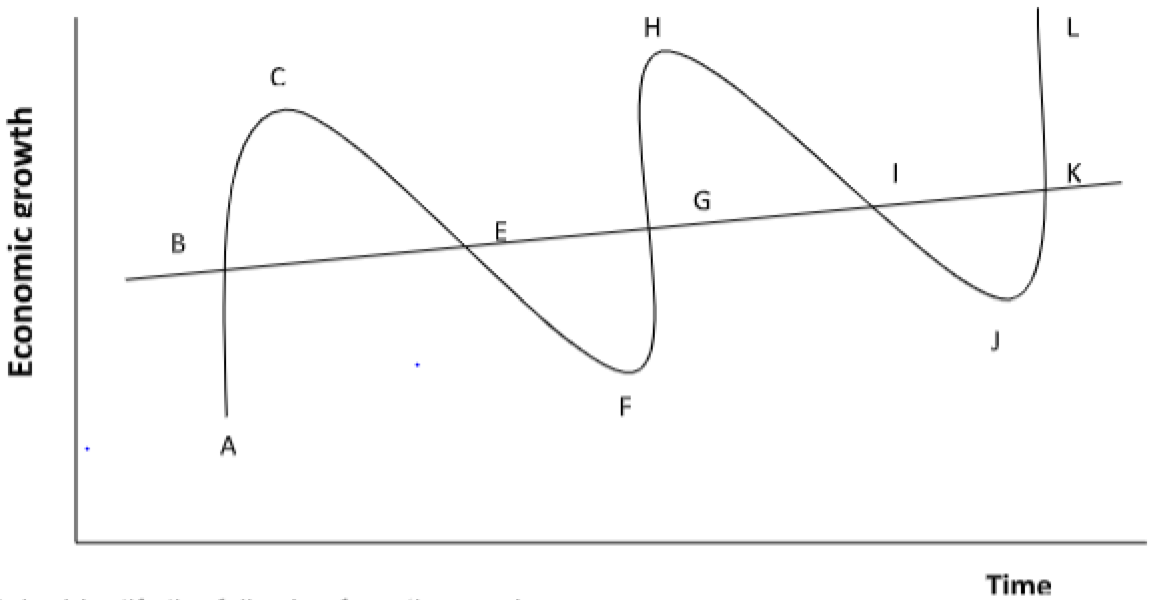
Business Cycles can be described as consecutive periods of increasing and decreasing of economic activity of a country.

- These activities are described by indicators
- An indicator points or signals direction.
- Example: if retails sales increase, a growing economy is expected (expansionary phase)
- If retails sales decrease, a declining economy is expected (contractionary phase)

DIAGRAM OF THE BUSINESS CYCLE



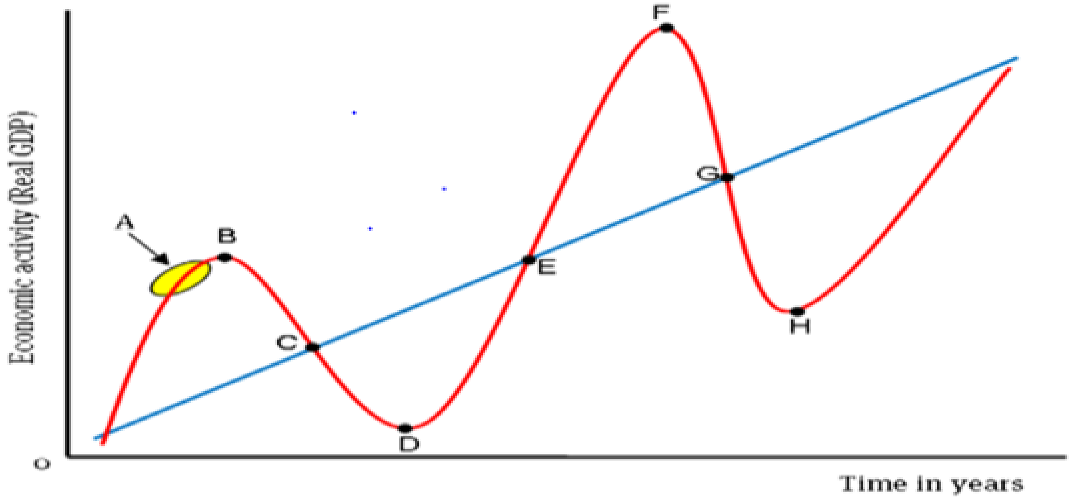
1. Short exercise to see if they understand the different points on the circular flow



1 Identify the following from the graph

a. Peak
b. Trough
c. Upswing
d. Downswing
e. Recession
f. Depression
g. Recovery phase
f. Expansionary phase (8)

2. Study the graph below and answer the questions that follow



Label each area / point on the graph next to the question number.

a) 2.1 B-C
b) 2.2 C-D
c) 2.3 D-E
d) 2.4 E-F
e) 2.5 Point B/ F
f) 2.6 Point D/H (6)

CYCLICAL PATTERNS (PHASES OF BUSINESS CYCLES)

(1) UPSWING/EXPANSION PHASE

Increase in economic activities and an upward movement along the business cycle.

- **Recovery phase**
  - An indication that an increase in economic activities has started.
- **Prosperity phase**
  - The economy has recovered and is accelerating in terms growth.
- **Peak**
  - Economic activities are at its highest point. It signals the end of the expansion phase. From this point the contraction phase starts.
  (Take note: the peak is NOT a phase, but a point on the business cycle)

(2) DOWNSWING/CONTRACTION

Decrease in economic activities and a downward movement along the business cycle.

- **Recession**
  - Slowdown in the economic activities over time.
- **Depression**
  - Severe slowdown of economic activities, the economic growth get close to zero.
- **Trough**
  - Economic activities are at its lowest point. It signals the end of the contraction phase. It is a turning point indicating the start of the expansion phase.
  (Take note: the *trough* is NOT a phase, but a *point* on the business cycle)

There are THREE types of indicators:

(1) Leading indicators

- These indicators reach a peak before economic activities peaks or reach a trough before economic activities reaches a trough.
- Leading indicators change before the cycle turned.
- Example: number of new cars sold

(2) Coincident indicators

- these activities take place simultaneously with the changes in the economy
- Coincident indicators change with the cycle.

(3) Lagging indicators

- These activities confirm that economic activities have taken place.
- In other words, it confirms the state of the economy.
- Lagging indicators change after the cycle turned.

Reasons for business cycles:

(1) Exogenous reasons (Monetarist theory)

- Factors outside the market that influences economic activities
- Markets are inherently stable
- Market forces regulate the economy automatically (invisible hand)
- Weather conditions: droughts and floods affect agricultural production and therefore, the total level of economic activity
- Money supply: attempts by government to influence the supply of money (monetary and fiscal policies) disturb the market mechanism
- Inappropriate government policies cause business cycles
- Structural changes like machinery replacing manual labour causes business cycles
- Shocks unexpected events that affects the economy, e.g. 9/11 events in the USA, sudden oil price adjustments

(2) Endogenous reasons (Keynesian theory or interventionist theory)

- Factors within the market influences economic activities
- Markets are inherently unstable
- Continuous fluctuation of demand and supply
- Government intervention is necessary to influence the market
- Links between savings and investment, taxation and government expenditure are indirect
- If people save or invest, less consumption will take place, thus influencing demand and supply
- If taxes increase, government have more to spend, thus influencing demand and supply
- When the economy is in a downswing, expansionary monetary policy is applied (lower interest rate and increased money supply) and expansionary fiscal policy (decrease taxes and reduce government spending)
- When the economy is booming, contractionary monetary policy (increased interest rates and decrease money supply) and contractionary fiscal policy (increase taxes and decrease government spending).

THE EFFECTS OF BUSINESS CYCLES

- **Changes in aggregate supply and aggregate demand**
  - When the economy contracts (economic activities become less), real GDP, income and production will fall, this will cause aggregate demand to fall.
  - When the economy expands (economic activities increase), real GDP, income and production will increase, this will cause demand to increase

- **Changes in economic growth**
  - Economic growth is measured in terms of real GDP.
  - Increased real GDP indicates an upswing or expansionary phase.
  - Decreased real GDP indicates a downswing or contractionary phase.
  - If injections are larger than leakages, an upswing will occur.
  - If leakages are larger than injections, a downswing will occur.

- **Changes in employment rate**
  - An increased employment rate is generally noticed during an upswing.
  - A decrease in employment levels generally noticed during a downswing.

- **Changes in price levels**
  - Prices tend to rise towards the end of the expansionary phase (boom).
  - Demand is higher than supply, producers cannot keep up with increased demand.

- **Changes in the rate of exchange**
  - During an expansion, the current account of the balance of payments becomes smaller.
  - This happens because of the higher demand for imports, more money flowing out of the country.
  - This put pressure on the country's foreign exchange reserves.

- **Effects on people who are economically vulnerable**
  - Cyclical tendencies cause hardship for many people.
  - When economic activities decline (downswing) the lives of disabled, children, women, poor people, rural people and pensioners are affected negatively.

- **Standard of living**
  - During a downswing the living standards of people decrease.
  - During an upswing, the living standards of people generally increase.

TOPIC 4: MACROECONOMICS: BUSINESS CYCLES

SECTION A: TYPICAL EXAM QUESTIONS

QUESTION 1: **Section A – Short Questions**

HINT: When answering Section, A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct, and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

1.1.1 The period that shows a decline in economic activities is …
- A recovery.
- B recession.
- C trend line.
- D moving averages.

1.1.2 The general direction of economic growth in a business cycle is shown by …
- A leading indicator.
- B the contraction phase.
- C the trend line.
- D amplitude.

1.1.3 The lowest turning point of a business cycle is known as a …
- A. recession.
- B. depression.
- C. peak.
- D. trough.

1.1.4 The highest turning point of a business cycle is known as a …
- A trough.
- B recession.
- C depression.
- D peak.

1.1.5 An economic indicator that tells us something about how the economy will perform in future is a …
- A. lagging indicator.
- B. leading indicator.
- C. co-incidence indicator.
- D. composite indicator.

1.1.6 During the recession phase of a business cycle, there is …
A no change in economic growth
B negative economic growth
C positive economic growth
D a decrease in unemployment

1.1.7 During the recessionary phase of the business cycle, there is ...
A no change in economic growth.
B a decrease in unemployment.
C positive economic growth.
D negative economic growth

1.1.8 The … phase in the business cycle is characterised by a general pessimism among households.
A recession
B recovery
C trough
D depression

1.1.9 When there is a negative economic growth for at least two successive quarters it is called ...
A economic growth.
B inflation.
C a peak.
D a recession.

1.1.10 The … phase in the business cycle is characterised by a general optimism among households.
A recession
B recovery
C prosperity
D depression

1.1.11 An economic indicator that tells us something about an event, long after it has happened, is called a …
A leading indicator.
B co-incidence indicator.
C lagging indicator.
D composite indicator.

1.1.12 Indicators that change at the same time and in the same direction as the economy changes are known as … indicators.
A leading
B lagging
C composite
D co-incident

1.1.13 A diagram that shows expansion and contraction periods of economic activities is called a(n) … cycle.
A business
B economic
C productivity
D inflationary

1.1.14 Exogenous factors such as … can cause fluctuations in the level of economic activity.

A weather patterns
B inflexibility of markets
C demand patterns
D government intervention

1.1.15 A diagram that shows expansion and contraction periods of economic activities is called a(n) … cycle.

A business
B economic
C productivity
D inflationary

1.1.16 An indication of long-term growth in the economy is referred to as the …

A trend line.
B amplitude.
C length.
D trough.

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Boom	A Show us what might happen to economic activity in the future
1.2.2 Lagging indicator	B Refers to the ups and downs of economic activity in an economy / Consecutive periods of increasing and decreasing in economic activities
1.2.3 Leading indicators	C The period of very high economic activity just before the economy slows down
1.2.4 Recession	D A period in which there is a decline in economic activity and prosperity
1.2.5 Business cycle	E Independent factors that influence business cycles and originate outside the economy
1.2.6 Peak	F The upper turning point of a business cycle
1.2.7 Factor costs	G Show us what has happened to the economy
1.2.8 Exogenous approach	H The price paid for the factors of production

TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. *No abbreviations will be accepted.*

1.3.1 The lowest turning point of a business cycle
1.3.2 The upper turning point of the business cycle
1.3.3 These are factors that affect the business cycle that originate from outside the economic system, for example technological shocks, weather and natural disaster
1.3.4 A period in the business cycle where economic growth starts to decrease
1.3.5 The highest point of economic activity in the business cycle
1.3.6 The facilities provided to ensure that economic activities can take place for example roads, airports and telephone lines
1.3.7 The business cycle indicators that show us what might happen to economic activity in the future
1.3.8 The line that shows the long-term direction of a business cycle
1.3.9 Severe slowdown of economic activities, the economic growth gets close to zero
1.3.10 The distance between the trend line and the peak and trough
1.3.11 An indication that an increase in economic activities has started
1.3.12 These activities confirm that economic activities have taken place. In other words, it confirms the state of the economy. It changes after the cycle turned.
1.3.13 Stipulate that exogenous reasons cause economic fluctuations. Inappropriate government policies, weather and structural changes in the economy cause bus ness cycles
1.3.14 Stipulate that endogenous reasons cause economic fluctuations. Markets are inherently unstable. Government intervention is necessary.

SECTION B

QUESTION 2:

HINT: When the question requires you to "list" or "name", you need not write a sentence but merely one or two words. This MUST be done in bullet form. These types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1

2.1 Explain how an upswing will affect economic growth rate of a country (1 x 2) (2)
2.2 How is the trend line used in business cycles? (1 x 2) (2)
2.3 How are business cycles measured? (1 x 2) (2)
2.4 Name the TWO periods in a business cycle. (1 x 2) (2)
2.5 Name TWO phases of business cycles. (1 x 2) (2)
2.6 Name any TWO types of business cycle indicators used in forecasting economic activities. (1 x 2) (2)
2.7 Name the TWO views why business cycles occur. (1 x 2) (2)

QUESTION 3:

HINT: These types of questions are applicable to 2.1.2, 3.1.2 and 4.1.2 in your question paper. The answer must be presented in a full sentence

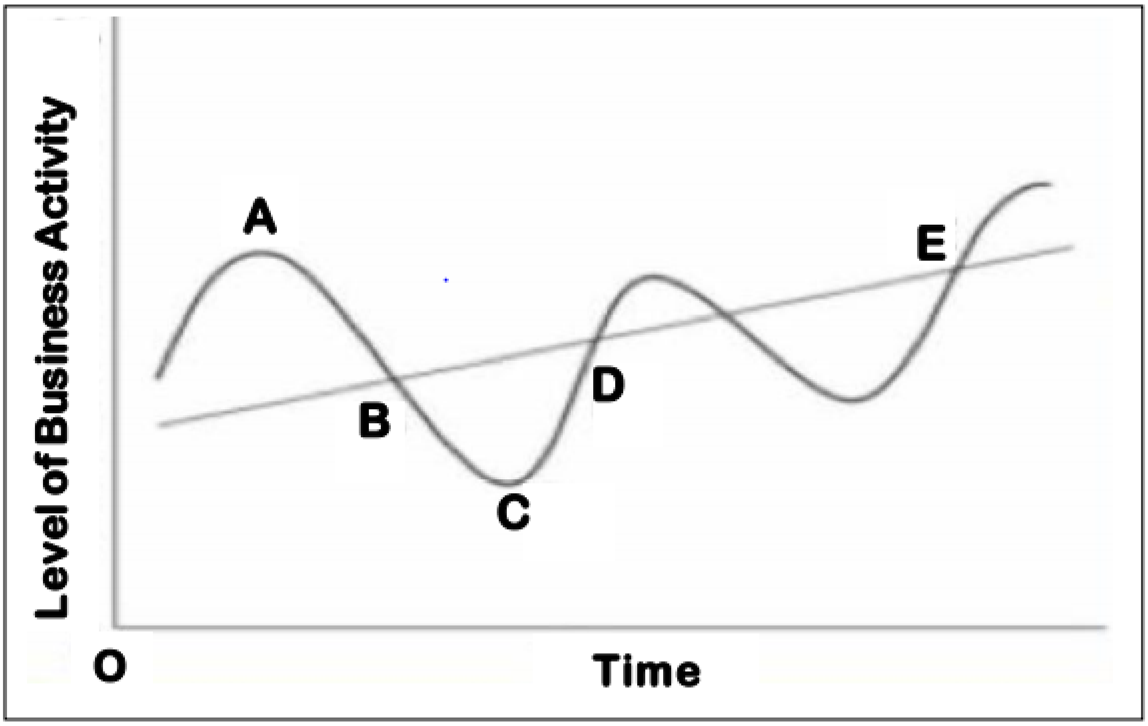
3.1	What is the purpose of a trend line in a business cycle?	(1 x 2) (2)
3.2	What happens during the depression phase.	(1 x 2) (2)
3.3	How does Monetarist approaches on business cycles?	(1 x 2) (2)
3.4	How does Keynesians approach on business cycles?	(1 x 2) (2)
3.5	What effect will a recession have on business activities	(1 x 2) (2)

DATA RESPONSE

HINT: All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document

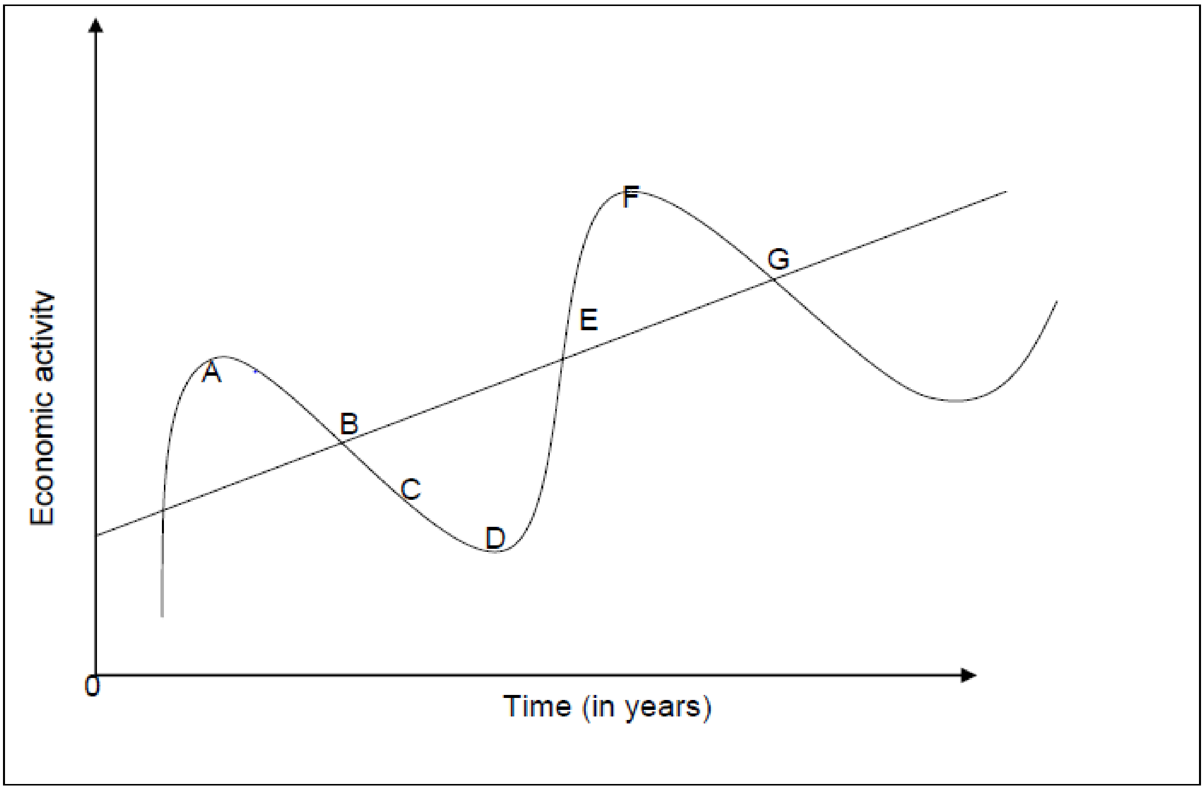
QUESTION 4:

4.1 Study the diagram and answer the question that follow



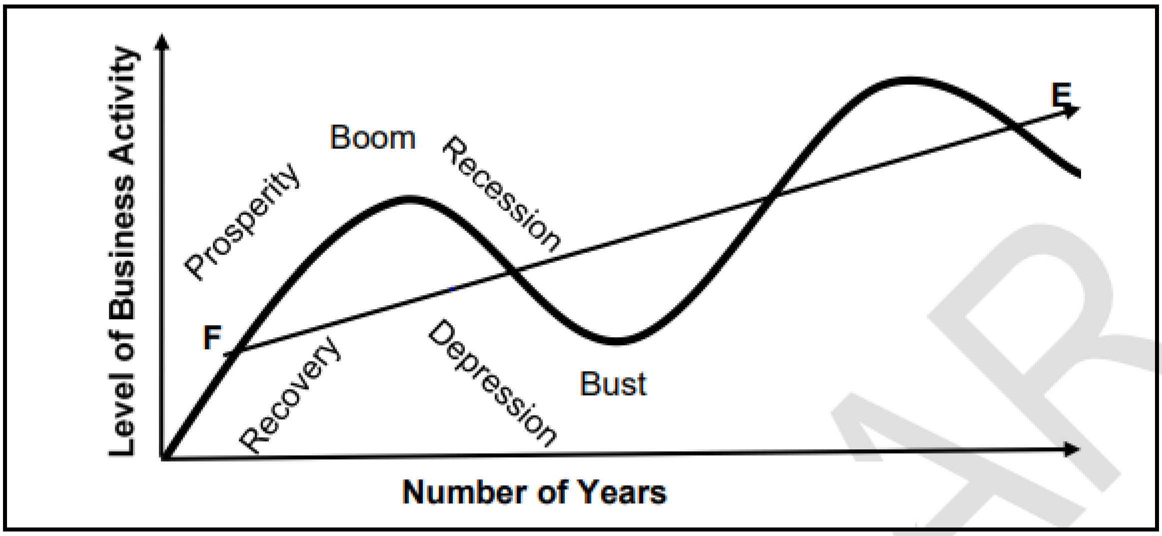
4.1.1	Provide the diagram above with an appropriate heading.	(1)
4.1.2	Name the lowest point, C, in the diagram above.	(1)
4.1.3	Briefly describe the term *trend line*.	(2)
4.1.4	Describe the effect of a depression on employment levels.	(2)
4.1.5	How is the economy affected during the prosperity phase?	(2 x 2) (4)

4.2 Study the graph and answer the question that follow



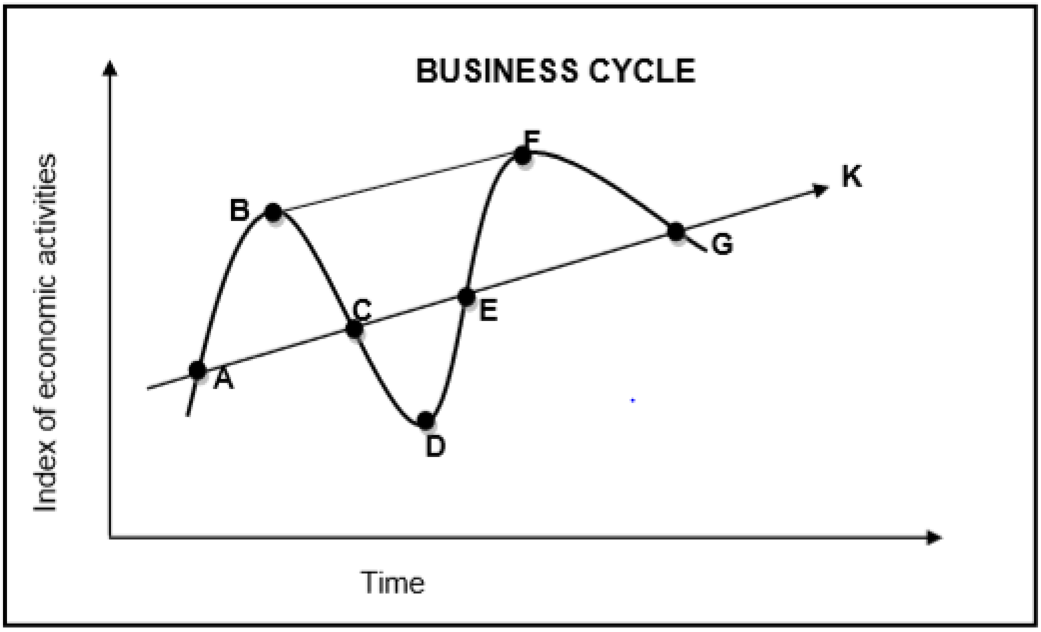
4.2.1 What is the name of the graph above? (1)
4.2.2 Which point on the graph may be associated with the lowest GDP? (1)
4.2.3 Briefly describe the term *economic growth*. (2)
4.2.4 Briefly explain the effect of business cycles on economic growth. (2)
4.2.5 How can government reduce unemployment in an economy? (2 x 2) (4)

4.3 Study the diagram and answer the questions that follow



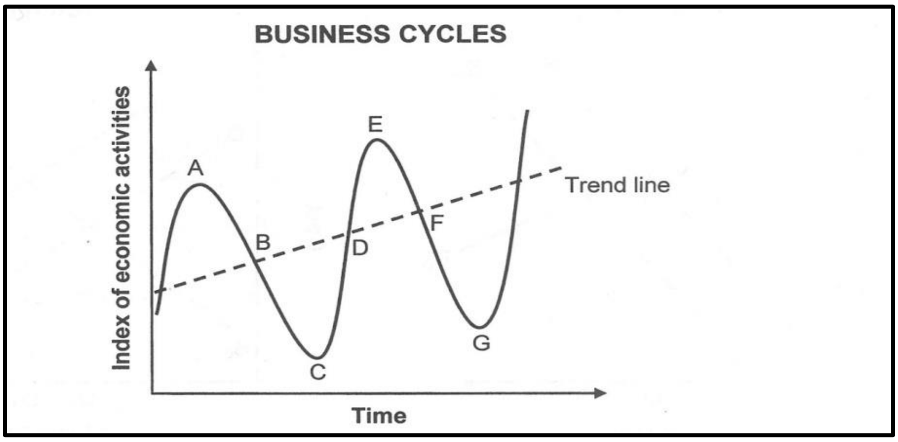
4.3.1 Name the positively sloped straight line on the above graph. (1)
4.3.2 What is the distance from peak to trough called? (1)
4.3.3 Briefly describe the term at *constant prices*. (2)
4.3.4 Briefly describe a feature of the depression phase. (2)
4.3.5 How does Monetarist and Keynesian approaches on business cycles differ? (2 x 2) (4)

4.4 Study the diagram and answer the questions that follow



4.4.1 Identify the trend line in the business cycle above. (1)
4.4.2 Which letter represents a trough in the diagram above? (1)
4.4.3 Briefly describe the term *business cycle*. (2)
4.4.4 Explain economic activity during phase EF in the business cycle. (2)
4.4.5 How can the length (BF) be used in forecasting of business cycles? (2 x 2) (4)

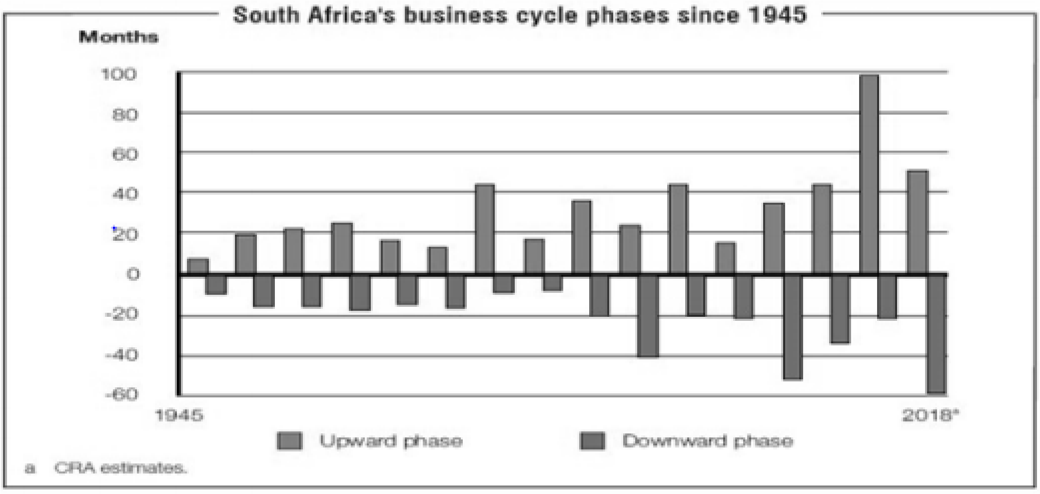
4.5 Study the diagram and answer the questions that follow.



4.5 Study the diagram and answer the questions that follow.
4.5.1 What is the direction in which indexes move called? (1)
4.5.2 Which model is illustrated in the diagram above? (1)
4.5.3 Briefly describe the term business cycle. (2)
4.5.4 Describe the peak of a business cycle. (2)
4.5.5 Why is it important to determine the amplitude? (2x2) (4)

4.6 Study the diagram and answer the questions that follow

SOUTH AFRICA FACING ITS LONGEST DOWNWARD BUSINESS CYCLE SINCE 1945:



According to a report by the Centre for Risk Analysis, South Africa's latest business cycle has been in a downward phase since 2013. It seems unlikely that the cycle will experience an upward trajectory in the near future.

Adapted source: https://www.thesouthafrican.com/south-africa-worst-business-cycle

4.6.1 Identify the longest period (months) in which South Africa experienced an upswing in the economy. (1)
4.6.2 How long (years) is the current downswing of the South African economy? (1)
4.6.3 Briefly describe the term *economic trend.* (2)

4.6.4 Why are long upward amplitudes preferred than long downward amplitudes in the economy? (2)

4.6.5 How can the South African government use open market transaction to overcome the above ongoing economic decline? (4)

4.7 Read the article and answer the questions that follow

THE GREAT DEPRESSION

The great depression of 1929 has a central place in 20th Century economic history. When compared to all other depressions and recessions, the Great Depression was a major depression whether assessed by a drop in production or by the long period of slack production. All other depressions and recessions have been much smaller, although those left unemployed or bankrupt by them did not experience them as small. The Great Depression caused people to doubt the survival of the capitalist economic system and the political order.

[Source: www.publicnewshub.com, June 2015]

4.7.1 Which is the depression that is referred to as a major depression in the passage? (1)

4.7.2 Briefly describe the term *depression.* (1)

4.7.3 Briefly discuss any TWO effects of a depression and a recession. (4)

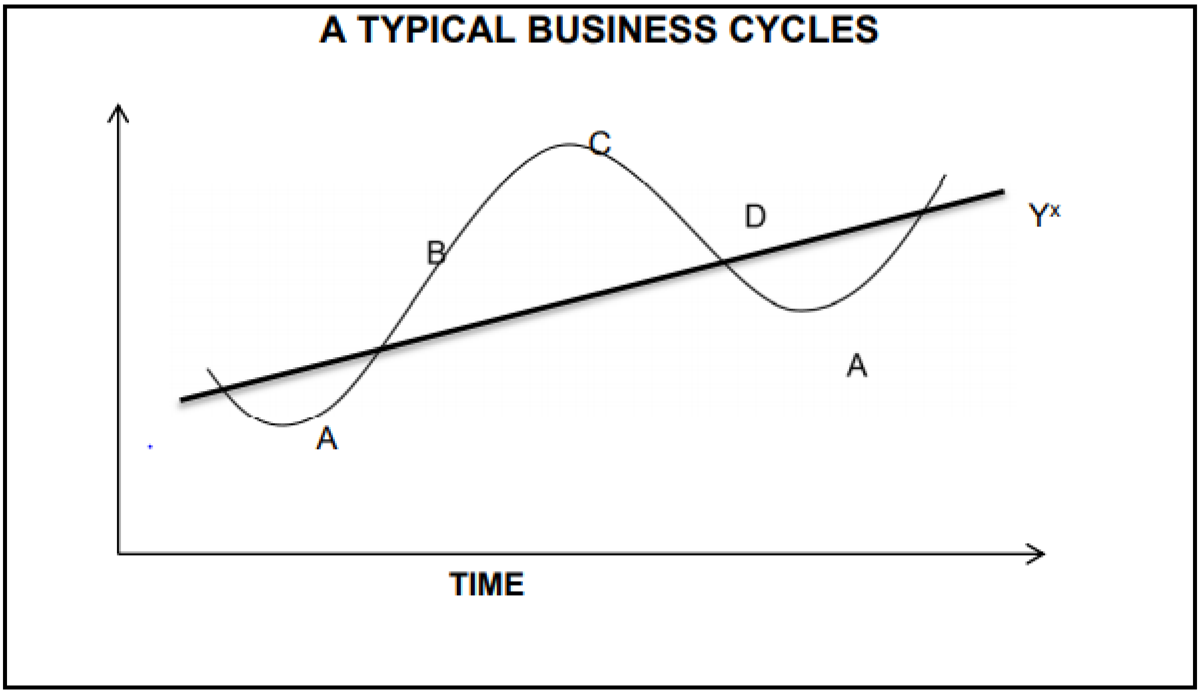
4.7.4 Briefly describe the effects of a boom or prosperity phase. (4)

4.8 Study the cartoon and answer the questions that follow

[Source: www.struggle.pk]

4.8.1 Identify the phase of the business cycle as well as an economic activity from the cartoon above. (2)
4.8.2 Why will 'jobless' not lead to an economic 'take-off'? (2)
4.8.3 Which business cycle indicator does 'jobless' refer to? (2)
4.8.4 How would you describe the recovery phase of a typical business cycle? (4)

4.9 Study the graph and answer the questions that follow



4.9.1 Identify the trough in the business cycle above. (1)
4.9.2 What is the line labelled Y^x called in economics? (1)
4.9.3 Briefly describe the term *business cycle.* (2)
4.9.4 Explain the recovery phase of a typical business cycle. (2)
4.9.5 What can the government do to smooth out a severe decrease in the business cycle? (4)

4.10 Read the article and answer the questions that follow

South African recession is 'transitional issue' – Ramaphosa

JOHANNESBURG - South Africa's slide into recession is a "transitional issue" from which the economy will soon recover, President Cyril Ramaphosa said in comments published on Thursday, repeating promises for a stimulus package to reignite growth.

Ramaphosa has staked his reputation on reviving the economy after a decade of stagnation under his predecessor, scandal-plagued Jacob Zuma, whom he replaced in February.

But Ramaphosa suffered a major disappointment when data showed on Tuesday that the economy had shrunk 0.7 percent in the second quarter, unexpectedly tipping the country into its first recession since 2009.

[*Source: Adapted from Reuters 6 September 2018*]

4.10.1 Identify the business cycle phase in the above extract. (1)

4.10.2 Which government department would best be able to assist the President with implementing the stimulus package to help get the economy growing again? (1)

4.10.3 Briefly describe the term *business cycle.* (2)

4.10.4 Why can we expect job losses during this economic phase? (2)

4.10.5 Advise the president on which fiscal policy measures he could use to stimulate the economy. (2 x 2) (4)

QUESTION 5 Paragraph type questions – Middle Cognitive

5.1 Discuss the *Prosperity phase* of the business cycle (8)

5.2 Write notes to explain the *Recession phase* of the business cycle (8)

5.3 Explain the *Depression phase* of the business cycle. (8)

5.4 Discuss the *Recovery phase* of the business cycle (8)

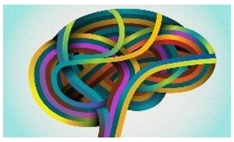
5.5 Discuss the difference between *exogenous and endogenous reasons* for changes in the business cycle (8)

5.6 Distinguish between *leading and lagging economic indicators*. (8)

5.7 Discuss the Monetarist approach as a cause of business cycles. (8)

5.8 Discuss lagging indicators as a feature underpinning forecasting. (8)

(They can ask any of the THREE indicators on its own) (Then you must know at least 4 facts)



TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

QUESTION 6

6.1	Evaluate the effects of the business cycle on the economy	(8)
6.2	How do business cycle fluctuations affect employment in the economy?	(8)
6.3	How can injections contribute towards the economic upswing?	(8)
6.4	Explain how endogenous (Keynesian) factors influence economic fluctuation.	(8)
6.5	Highlight the effects of business cycles to the economy.	(8)
6.6	Evaluate the endogenous reasons for changes in the business cycle.	(8)
6.7	Why are leading indicators important in forecasting business cycles?	(8)
6.8	What can the government do when the economy is in a recession?	(8)

SECTION C
Answer ONE of the two questions from this section in the ANSWER BOOK.
Your answer will be assessed as follows:
The question will be numbered *Question 5 or Question 6* in the examination – You will have a choice in the examination to answer 1 of them

HINT: Section C – the long question, must be answered in FOUR sections: Introduction (definition), Body (headings and full sentences in bullets) additional part and conclusion (summarising). The mark allocations for Section C is as follows:

STRUCTURE OF ESSAY:	MARK ALLOCATION:
Introduction The introduction is a lower-order response. • A good starting point would be to the main concept related to the question topic • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body • Avoid saying in the introduction what you are going to discuss in the body	Max 2
Body: **Main part:** Discuss in detail/ In-depth discussion/ Examine/ Critically discuss/ Analyse / Compare/ Distinguish/ Differentiate/ Explain/ Evaluate **Additional part:** Critically discuss/ Evaluate/ Critically evaluate/ Calculate/ Deduce/ Compare/ Explain Distinguish / Interpret/ Briefly debate/ How/ Suggest / Construct a graph	Max 26 Max 10
Conclusion Any Higher or conclusion include: • A brief summary of what has been discussed without repeating facts already mentioned in the body • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations	Max 2
TOTAL	**40**

QUESTION 7
- Discuss in detail the phases of business cycle with the aid of a diagram. (26)
- Evaluate the endogenous reasons for changes in the business cycle (10)

[40]

QUESTION 8
- With the aid of a diagram discuss the phases / stages of a business cycle. (26)
- Explain the endogenous reason (Keynesian theory) for business cycles. (10)

[40]

QUESTION 9
- Briefly discuss the phases of the business cycle. (26)
- Explain how endogenous (Keynesian) factors influence economic fluctuation. (10)

QUESTION 10

- Discuss in detail the phases of business cycles. (26)
- Highlight the effects of business cycles to the economy. (10)

[40]

QUESTION 11

- Discuss the phases and reasons, of business cycles. (26 marks)
- What effect do you think business cycles have on the economy? (10 marks)

[40]

QUESTION 12

- Discuss in detail the phases of business cycles with the use of a diagram (26)
- Explain the exogenous reasons for business cycles. (10)

QUESTION 13

- Briefly discuss the phases of the business cycle. (26)
- Explain how the can endogenous (Keynesian) factors influence economic fluctuation?

(10)

QUESTION 14

- Discuss the phases of the business cycles. (26 marks)
- How can injections contribute towards economic upswing? (10 marks)

[40]

MICROECONOMICS
TOPIC 1: DYNAMICS OF MARKETS - T2 WEEK 1-2

Guide to drawing graphs

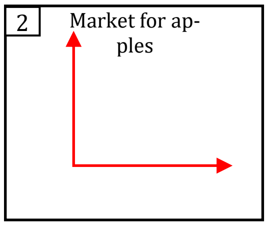
Go through these steps and even if you don't know exactly how to draw every line on the graph, you will still earn partial marks on the question that can help boost your overall exam score.

1. Write a title for the graph

This is one of the most common things learners forget and for which they lose marks. Always give your graph a title.

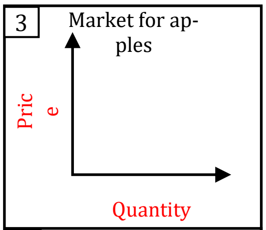
2. Draw the vertical and horizontal axes

Make sure the two lines are connected at the left side and that each axis has an arrow at its end



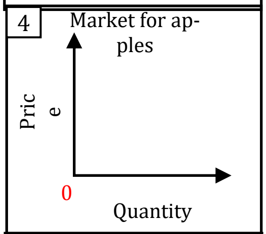
3. Label the vertical and horizontal axes

If you do not write what the vertical and horizontal axes represent, your graph cannot be interpreted because the reader does not know what you are showing.



4. Label the origin

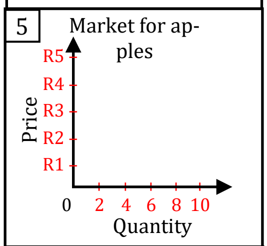
Write "0" below and to the left of where the vertical and horizontal axes meet. This is the value where your vertical and horizontal axes begin.



5. Decide on the scale

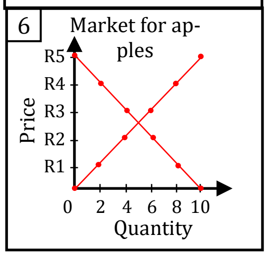
If you are given a table of values, you have to decide how you will number your axes. (If you are asked to draw a graph without being given values or a table, you can skip this step.) Numbers on the vertical axis must increase by the same amount for every increment. Numbers on the horizontal axis must also increase by the same amount for every increment (though not necessarily the same amount as on the vertical axis). The amount by which each number increases is called the scale:

Scale of 1: 1,2,3,4,5,6,6,8,9,10
Scale of 2: 2,4,6,8,10,12,14,16,18,20, etc.
Scale of 5: 5,10,15,20,25,30,35,40,45,50, etc.



6. Draw the curves/lines of the graph

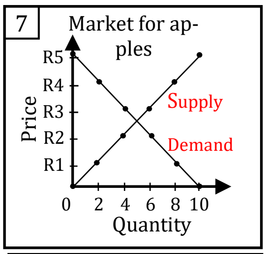
If you are given a table of values, draw each point and then connect the dots. If you are not given a table, simply draw the curve/line with the correct shape.



7. Label the curves/lines

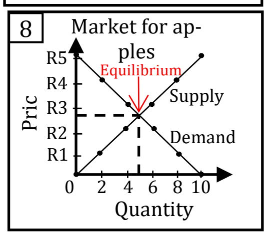
Each curve/line should be clearly labelled so that the reader knows what it represents and so that it does not get confused with other curves/lines on the graph.

Price	Demand	Supply
R0	10	0
R1	8	2
R2	6	4
R3	4	6
R4	2	8
R5	0	10



8. Label important points

It is often necessary to identify a certain point on the graph such as the equilibrium. Label this point clearly. If there is not enough room to write the label directly next to the point, write the label in space and then draw an arrow from the label to the point.



KEY CONCEPT	DEFINITION / DESCRIPTION
A change in demand	A shift of the demand curve from one position to another position
A change in supply	A shift of the supply curve from one position to another position
A market	Any place where buyers and sellers meet to negotiate prices and exchange goods and services.
Ceteris paribus	All things remain the same
Complementary goods	Are goods that are consumed together with other goods to satisfy a want
Demand	Quantity of goods or services that consumers are willing and able to purchase over a given period of time
Demand curve	Shows the relationship between the price of a good or service and quantity demanded
Demand schedule	is a table that shows the quantity of a product or service, ceteris paribus, that is demanded at different prices in a given period of time
Diminishing marginal utility	Marginal utility decreases as more units of a good is consumed
Equilibrium	Occurs when the quantity of a good or service demanded is equal to the quantity supplied
Factor market	a market where factor of production, e.g. natural resources, labour, capital and entrepreneurship is sold
Factor markets	Markets for the services of the factors of production
Geographical markets	Includes local markets, the provincial market, and national markets
Goods market	A market where consumers can buy goods and services
Heterogenous products	Products are not the same
Homogenous products	Goods are the same
Imperfect market	When one or more of the conditions of a perfect market are not met
Local markets	The markets where you stay
Marginal utility	Is the utility a consumer derives from each additional product he consumes
Market	A market is any contact or communication between potential buyers and sellers to exchange goods or factors of production for money
Market Prices	The amount of money or something of value offered to obtain goods or services
Market shortage	The quantity of goods and services demanded exceeds the quantity supplied
Market surplus	An over-supply of goods and services in the market
Monopolistic competition	It is a type of imperfect market which consists of **many sellers** who sell **differentiated** products/ it is a market structure which combines elements of monopoly and perfect market
Monopoly	One seller of the goods or services in a market / a situation where there is one large supplier of the goods
National markets	markets where the customers are spread throughout the country
Non-price factors	Are factors other than the price of goods and services
Oligopoly	a situation where there are few large suppliers of a product
Perfect market	A market where there are many buyers and sellers of the same product, and they are all price takers. Prices are determined by the market

KEY CONCEPT	DEFINITION / DESCRIPTION
Price	The price of a product is the exchange value in terms of money when a person decides to buy a product
Product markets or goods markets	Markets for goods and services
Regional markets	the provincial markets
Substitute goods	Are goods that can be used in the place of other goods to satisfy a want
Supply	Quantity of goods or services that producers are willing and able to supply in a given period of time
Supply curve	Shows the relationship between the price of a good or service and quantity supplied
The law of demand	As the price of the product increases, less of the good is demanded
The law of supply	The quantity supplied increases as the price of the good or service increases
Total utility	Is the total satisfaction that a consumer derives (get) from consuming a product
Utility	Utility indicates how much satisfaction the specific product will give the consumer
Value	The value of a product indicates how much the consumer is willing to pay for the product (price
World markets	a market that serves the entire world; exists because of improved communication

SECTION A: TYPICAL EXAM QUESTIONS

TOPIC 1: MICROECONOMICS: DYNAMICS OF MARKETS

SECTION A: TYPICAL EXAM QUESTIONS

DYNAMICS OF MARKETS

QUESTION 1: **Section A – Short Questions**

HINT: When answering Section A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

1.1.1 The law of diminishing marginal utility states that …
- A marginal utility decreases as more units of a good is consumed.
- B marginal utility remain the same as more units of a good is consumed.
- C marginal utility increases as more units of a good is consumed.
- D marginal utility decreases as less units of a good is consumed.

1.1.2 World markets are also known as … markets.
- A collective
- B black
- C domestic
- D global

1.1.3 An imperfect market would NOT have the following characteristics:
- A the seller has control over the price
- B easy entry and exit into the market
- C imperfect information
- D there is only one supplier or few suppliers

1.1.4 Perfect market is characterised by …
- A differentiation of products
- B imperfect information of products
- C homogenous products
- D unique products

1.1.5 Which of the following is NOT an example of businesses in an oligopoly market?
- A KFC, Nandos and Hungry Lion
- B MTN, Vodacom and Cell C
- C Ford, Toyota and Nissan
- D FNB, ABSA and Standard Bank

1.1.6 Which is ONE of the following will not cause a shift in the supply of goods?
- A an increase in the number of suppliers
- B climate changes
- C consumer's level of income
- D technological advances

1.1.7 Complementary product of bread is …
- A rice
- B sweets
- C flour
- D butter

1.1.8 The law of supply states that …
- A as the price increases, the quantity supplied decreases
- B as the price increases, the quantity supplied increases
- C as the price increases, the quantity supplied remain the same
- D as the price decreases, the quantity supplied increases

1.1.9 Goods that can be used to replace another.
- A Complementary goods
- B Economic goods
- C Substitute goods
- D Free goods

1.1.10 Utility that the consumer gains by consuming additional units of a product.
- A Total utility
- B Marginal utility
- C Value utility
- D Economic utility

1.1.11 When the quantity supplied of a specific good is greater than the demand for that specific good.
- A Market equilibrium
- B Market failure
- C Market surplus
- D Market shortages

1.1.12 The total benefit or satisfaction that a consumer derives from the consumption of a good or a service is called … utility.
- A marginal
- B variable
- C fixed
- D total

1.1.13 Consumers generally make … decisions.
- A irrational
- B rational
- C identical
- D right

1.1.14 In a market economy, competition works like a(n) … hand.
- A invisible
- B magical
- C circular
- D automatic

1.1.15 Government intervenes in the market when they ...
- A do not control the quantity of goods.
- B provide private goods.
- C allow monopolies to dominate the market.
- D control prices.

1.1.16 A perfect market is characterised by …
- A differentiation of products.
- B imperfect information of products.
- C homogenous products.
- D unique products.

1.1.17 What do we call the satisfaction that a consumer derives from each additional product that they consume?
- A Total utility
- B Ownership utility
- C Price utility
- D Marginal utility

1.1.18 A perfect market can be described as a group of producers …
- A selling a differentiated product.
- B that sells their product at different prices.
- C that has little or no barriers to entry.
- D with incomplete information about the buyers of their product

1.1.19 The line that shows different combinations of goods that can be bought by a consumer is known as the ... line.
- A budget
- B production
- C sales
- D supply curve

1.1.20 … is the extent to which a product can satisfy your personal needs and wants.
- A Resources
- B Price
- C Value
- D Utility

1.1.21 Motor industry is a typical example of a firm in a(n) … market.
- A monopolistic competitive
- B perfect
- C monopoly
- D oligopoly

1.1.22 The total quantity of a good or service that will be bought by the whole market at a certain price over a period of time.
- A Business demand
- B Quantity demanded
- C Market demand
- D Individual demand

1.1.23 The study of the behaviour of individuals is called … economics.
- A micro-
- B macro-
- C market-
- D monetary

1.1.24 A characteristic of an imperfect market:
- A There is one supplier or a few large suppliers
- B Products are homogenous
- C There are no barriers to entry
- D There are many buyers and sellers

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Utility 1.2.2 Perfect market 1.2.3 Demand 1.2.4 Value 1.2.5 Supply 1.2.6 Black market 1.2.7 Price 1.2.8 Oligopoly 1.2.9 Complementary goods 1.2.10 Imperfect market 1.2.11 Equilibrium quantity 1.2.12 Demand curve 1.2.13 Ceteris paribus 1.2.14 Equilibrium point 1.2.15 Total utility 1.2.16 Marginal utility	A the quantity sold at a certain price within a certain period of time. B a market in which a single supplier cannot manipulate the price. C Everything else stays the same D refers to how much something is worth in terms of money or other goods for which it can be exchanged. E Shows the relationship between a products price and quantity demanded F The satisfaction gained from consuming a good or service. G Additional satisfaction gained from consuming one extra unit of a good or service in a given period H the amount of money offered or asked for something that is bought or sold. I The total satisfaction that a consumer derives from consuming a product J a market where there is only a small number of suppliers of a good. K The quantity at which all the goods supplied is sold and the demand is L A good that can be used in conjunction with another good M involve the selling of illegal goods. N the quantity bought at a certain price within a certain period of time. O Sellers of goods have the power to set prices completely satisfied at a particular price. P the demand and supply curves intersect

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. *No abbreviations will be accepted.*

1.3.1 A market where there is only one supplier of a good.
1.3.2 The additional satisfaction gained from consuming one extra unit of a good within a given period
1.3.3 A product that can be used in place of another product to satisfy a need or want
1.3.4 The total amount of satisfaction that is gained from all the units of the good consumed.
1.3.5 The point where the quantity demanded is the same as the quantity supplied.
1.3.6 A market with many suppliers who sell differentiated goods.
1.3.7 The motor industry is an example of this type of imperfect market
1.3.8 The maximum amount a consumer is willing to pay for a good or service
1.3.9 The lowest price that consumers of a product have to pay the owner of a product
1.3.10 The quantity of goods or services that consumers are willing and able to buy over a period of time
1.3.11 The satisfaction that a consumer derives from each additional product he / she consumes
1.3.12 .A market with few suppliers producing similar or identical products
1.3.13 This line is sometimes called the consumption possibility curve

SECTION B
QUESTION 2:

HINT: When the question requires you to "list" or "name", you need not write a sentence but merely one or two words. This MUST be done in bullet form. This types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1

2.1 Name TWO factors that determine the value of a product. (2)
2.2 Name any TWO characteristics of utility. (2)
2.3 Name TWO requirements for the establishment of a market. (2)
2.4 Name TWO functions of a market. (2)
2.5 List any TWO examples of a perfect market. (2)
2.5 Name the TWO main forms of markets. (2)
2.6 Name any TWO types of imperfect markets. (2)
2.7 Give any TWO examples of geographical markets. (2)
2.8 List any TWO of the most important characteristics by which the kinds of markets are identified. (2)
2.9 List TWO factors that can change the demand for a good. / List any TWO determinants of demand (2)
2.10 List any TWO factors affecting supply. / List any TWO determinants of supply.(2)

QUESTION 3:

These types of questions are applicable for 2.1.2, 3.1.2 and 4.1.2. Answers must be provided in full sentences; learners must ensure that their answer addresses the question asked

3.1 How does utility, value and price affect consumer's decision to buy a product?(2)
3.2 What does the law of diminishing marginal utility entails? (2)

3.3 Why is it impossible for a single seller to influence the price of a product in a perfect market? (2)
3.4 Why is Eskom regarded as a monopoly in South Africa? (2)
3.5 What will happen to the demand for cheese if producers invest more money in the advertisement of cheese? (2)
3.6 How does climatic conditions affect the supply of a product? (2)
3.7 What impact will the entry of new producers have on the market? (2)
3.8 What is the law of demand? (2)
3.9 What is market equilibrium? (2)
3.10 Describe the term utility. (2)
3.11 How does the law of diminishing marginal utility affect the quantity consumed? (2)
3.12 Describe the term marginal utility. (2)
3.13 What are perfect markets? (2)
3.14 What is the law of supply? (2)
3.15 What is the effect of a decrease in the price of complementary good on demand?
(1 x 2) (2)

DATA RESPONSE

Useful Tips

All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document.

QUESTION 4:

4.1 Study the table below and answer the questions that follow:

QUANTITY OF HOT DOGS	MARGINAL UTIL-ITY (MU)	TOTAL UTILITY (TU)
0	0	0
1	50	50
2	45	95
3	20	115
4	10	125
5	0	125
6	-10	115

4.1.1 Which hot dog gives the greatest satisfaction? (1)
4.1.2 Identify which hot dog gives no extra satisfaction when consumed. (1)
4.1.3 Briefly explain the slope of the marginal utility curve. (2)
4.1.4 What happens to marginal utility and total utility when the 6th hot dog is consumed? (2)
4.1.5 Use the information from the above table to draw a clearly labelled marginal utility graph (4)

4.2 Study the table below and answer the questions that follow.

QUANTITY OF CHOCOLATE BARS	MARGINAL UTILITY (MU)	TOTAL UTILITY (TU)
1	80	80
2	60	140
3	45	185
4	35	220
5	27	**A**
6	10	237
7	0	237

4.2.1 List ONE characteristic of utility. (1)

4.2.2 What is the trend of the total utility? (1)

4.2.3 Briefly describe the term *utility*. (2)

4.2.4 What is the relationship between utility and the demand of a product? (2)

4.2.5 Calculate total utility of the 5^{th} chocolate bar (Show ALL calculations). (4)

4.3 Study the table below and answer the questions that follow

Number of apples consumed	Total Utility	Marginal Utility
1	**A**	40
2	80	**B**
3	120	40
4	150	30

4.3.1 Identify the marginal utility of the fourth apple. (1)

4.3.2 When will the above consumer experience diminishing marginal utility? (1)

4.3.3 Briefly describe the concept *diminishing marginal utility.* (2)

4.3.4 Why are consumers prepared to pay for a good or service? (2)

4.3.5 Calculate the values represented by A and B from the above table. (4)

4.4 Study the extract below and answer the questions that follow

BRAND CONFIDENCE AND MARKET SHARE

Suppose you go to a vegetable market to buy tomatoes. There are many tomatoes vendors and buyers. You go to a vendor and enquire about the cost of 1 kg tomatoes. The vendor replies, 'It will cost R10'. Then you go ahead and enquire from some more vendors. The prices of all the vendors are the same for the demanded quantity.

[Adapted from http://keydifferences.com. Accessed on 16 June 2019.]

4.4.1 Which market structure is depicted by the cartoon above? (1)

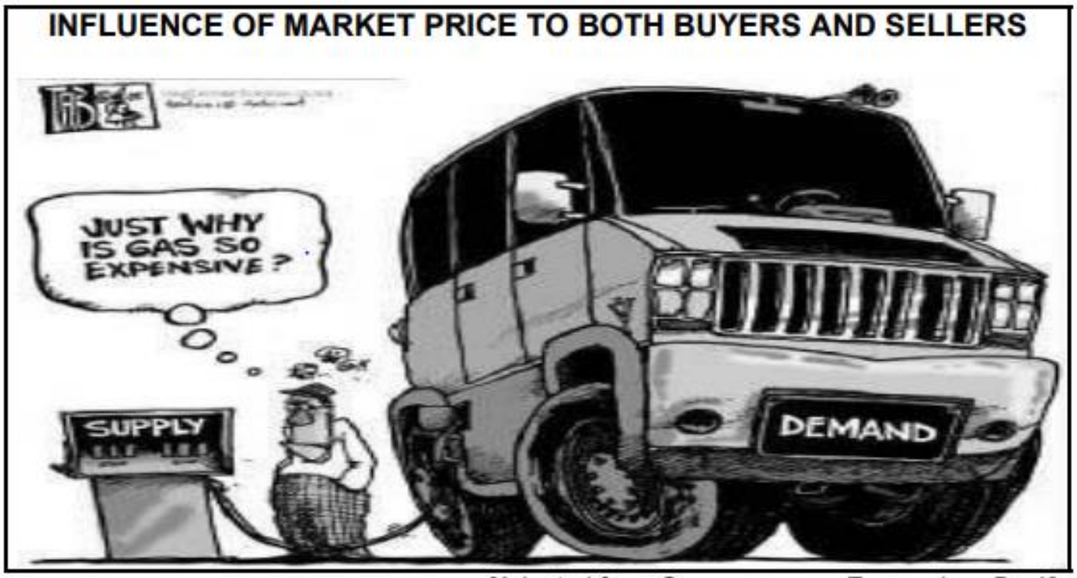
4.4.2 Identify ONE characteristic of the market structure mentioned in the above extract. (1)

4.4.3 Briefly describe the term *monopoly*. (2)

4.4.4 Briefly explain heterogeneous product as a characteristic of imperfect markets. (2)

4.4.5 How would the absence of competition affect the economy? (2 x 2) (4)

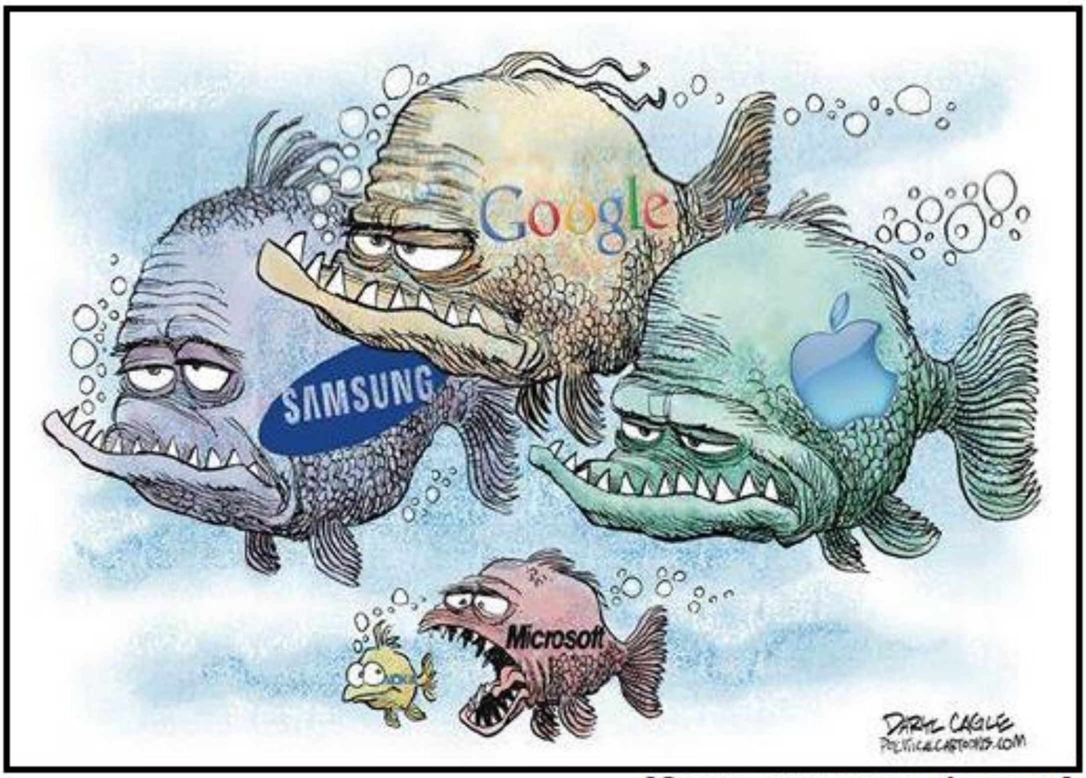
4.5 Study the cartoon and answer the questions that follow



[Adapted from *Common sense Economics eBook*]

4.5.1	Give ONE factor that can influence the demand for a product.	(1)
4.5.2	How are prices determined in a free market economy?	(1)
4.5.3	Briefly describe the term *supply.*	(2)
4.5.4	Describe value in exchange as displayed by the above cartoon.	(2)
4.5.5	Why do demand curves slope downward from left to right?	(4)

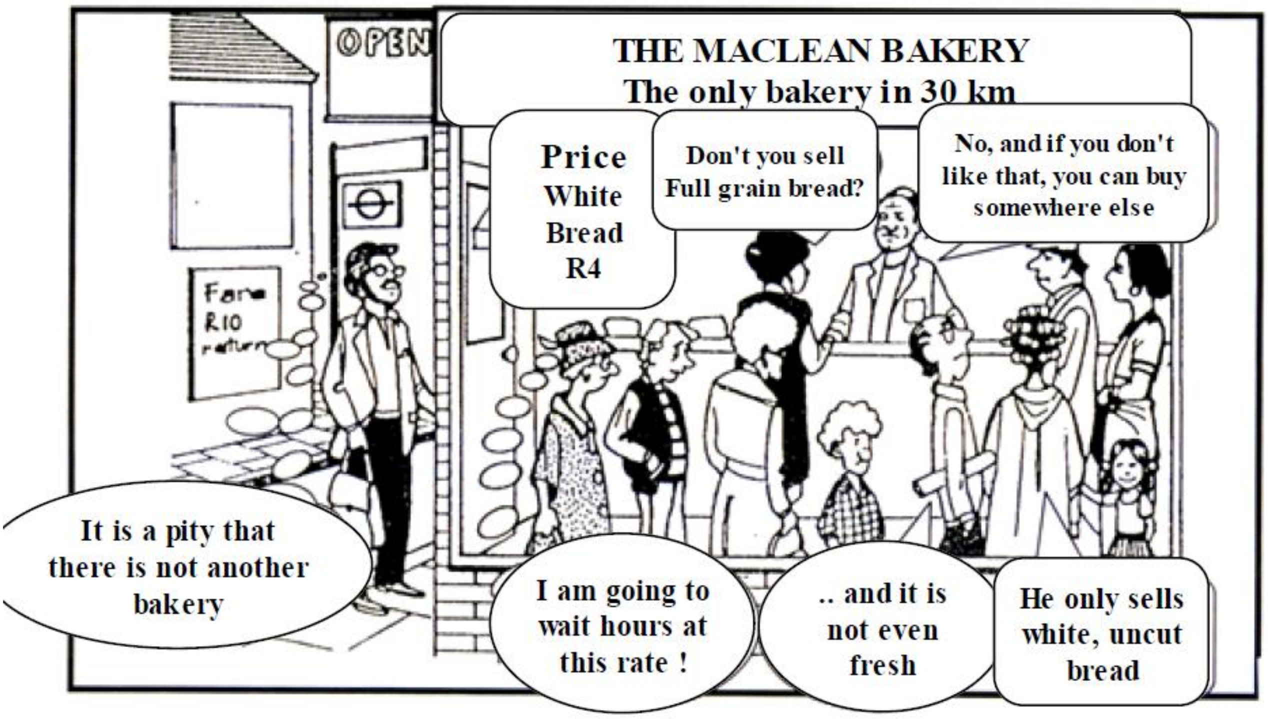
4.6 Study the cartoon and answer the questions that follow



[*Source*: www.google.co.za]

4.6.1 What is the message of the cartoon above? (1)
4.6.2 Which type of imperfect market does the above cartoon depict? (1)
4.6.3 Name one other type of imperfect market, besides the one depicted in the cartoon and give an example of this market. (2)
4.6.4 What favourable condition can the businesses in the market structure shown above enjoy? (2)
4.6.5 What would be required for the market structure to be a perfect market? (4)

4.7 Study the cartoon below and answer the questions that follow.



[Source: https://en.wikipedia.org/wiki/Marketing]

4.7.1 What type of market structure is illustrated in the cartoon above? (1)
4.7.2 Give ONE example of such a market structure in South Africa. (1)
4.7.3 Briefly explain how prices are determined in the above market structure. (2)
4.7.4 What impact does the above market structure have on the consumers? (2)
4.7.5 How can another bakery benefit the community? (4)

4.8 Study the extract below and answer the questions that follow.

MONOPOLISTIC COMPETITION

Monopolistic competition as a market structure was first identified in the 1930s by the economist Edward Chamberlin.

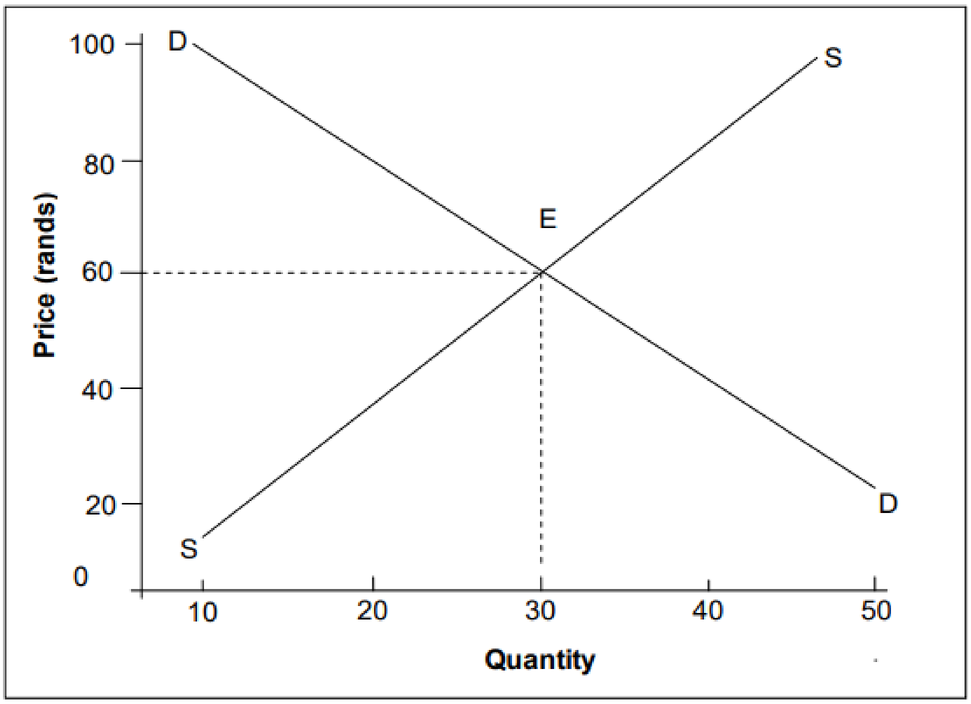
Many small businesses operate under conditions of monopolistic competition, including independently owned and operated high-street stores and restaurants.

In the case of restaurants, each one offers something different and possess an element of uniqueness, but all are essentially competing for the same customers.

[Adapted from: www.economicsonline.co.uk]

4.8.1 Give an example of a business operating in a monopolistic market in South Africa. (1)
4.8.2 Identify from the above extract ONE characteristic of monopolistic competition (1)
4.8.3 Briefly describe the term *monopolistic competition*. (2)
4.8.4 What makes monopolistic competition to differ from a perfect competitor? (2)
4.8.5 How can restaurants use different strategies to attract more customers? (4)
[10]

4.9 Study the graph below and answer the questions that follow



4.9.1 Identify one market force displayed by the above graph. (1)
4.9.2 What quantity will be sold in the above market? (1)
4.9.3 Briefly describe the concept *equilibrium price.* (2)
4.9.4 How does a perfect competitor decide on the price to sell their products? (2)
4.9.5 Distinguish between change in quantity demanded and change in demand.(4)

4.10 Study the table and answer the questions that follow

PRICE PER TYRE	QUANTITY DEMANDED	QUANTITY SUPPLIED
100	70	10
200	60	20
300	50	30
400	40	40
500	30	50
600	20	60
700	10	70

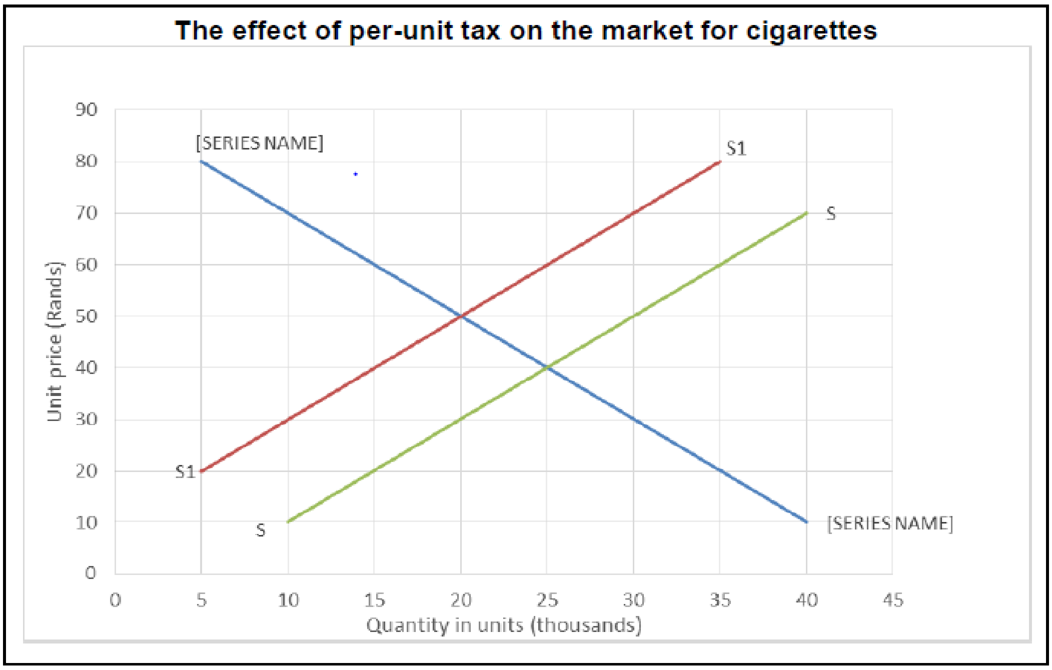
4.10.1 Determine the equilibrium price from the table. (1)
4.10.2 Which market structure is illustrated above? (2)
4.10.3 Briefly describe the term *equilibrium price.* (2)
4.10.4 Use the above table to draw the Demand and Supply curves on the same set of axes, also clearly indicating the equilibrium position. (6)

4.11 Study the graph and answer the questions that follow

Price	Quantity demanded	Quantity supplied
R10	20	100
R6	60	60
R2	100	20

4.11.1 Identify the equilibrium price and quantity. (2)
4.11.2 State the Law of Supply. (2)
4.11.3 Explain cost of production as a factor that can cause a change in quantity supplied. (2 x 1) (2)
4.11.4 Calculate the excess supply. Show all your CALCULATIONS. (4)

4.12 Study the graph and answer the questions that follow



4.12.1 State the equilibrium price of cigarettes before the implementation of the tax.(1)
4.12.2 What is the new equilibrium price after the R10, 00 tax was imposed? (1)
4.12.3 Briefly explain the term *equilibrium quantity*. (2)
4.12.4 Explain what effect the per-unit tax has had on the price and quantities demanded and supplied. (2)
4.12.5 Why does the government always ensure that there is an increase in sin tax. (4)

4.13 Study the table below and answer the questions that follow.

Price of generators	Quantity Demanded	Quantity Supplied
R12 000	1 500	3 000
R10 000	2 000	2 000
R8 000	2 500	1 500
R6 000	3 000	1 000
R4 000	3 500	500

4.13.1 At what price will both the buyers and sellers be satisfied? (1)

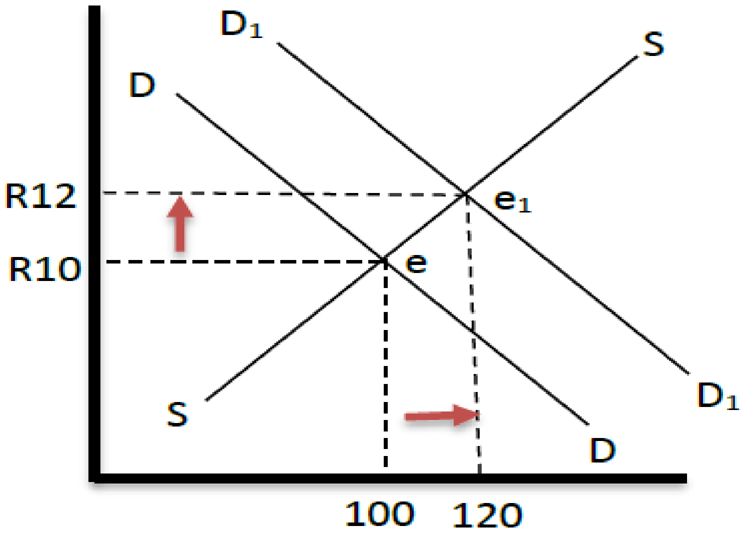
4.13.2 List ONE factor that can cause an increase in the demand. (1)

4.13.3 Briefly describe the *law of supply*. (2)

4.13.4 With reference to the above schedule, explain excess supply. (2)

4.13.5 Use the above schedule to draw the original demand and supply curves on the same axis. (4)

4.14 Study the graph below and answer the questions that follow.



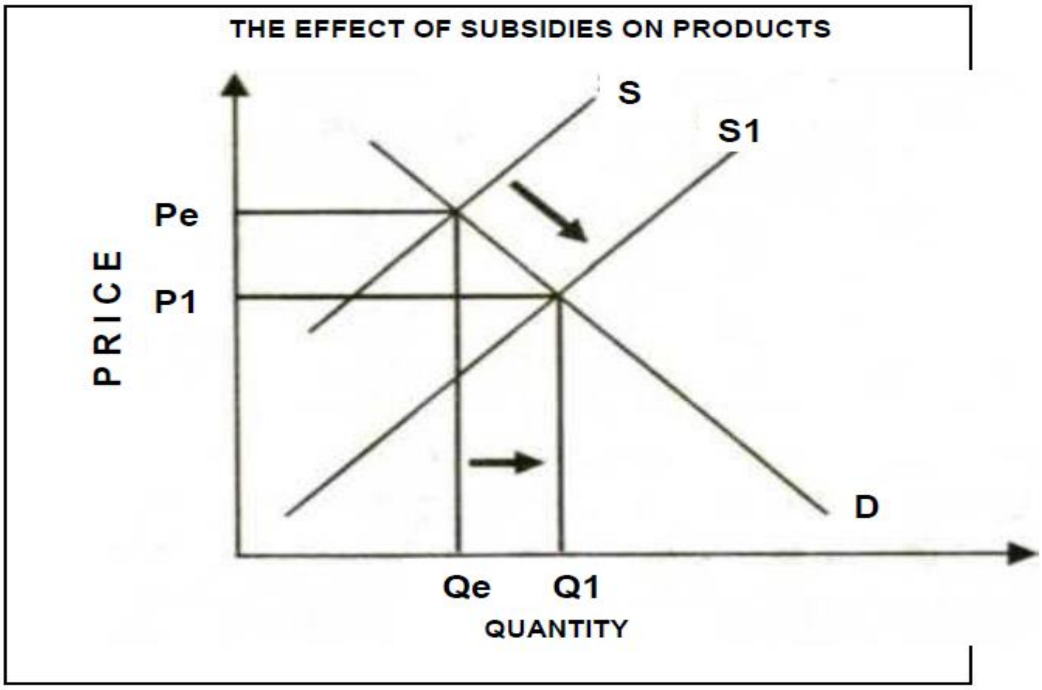
4.14.1 What is the initial demand curve on the above graph? (1)
4.14.2 Identify the original equilibrium price on the graph above. (1)
4.14.3 Briefly describe the concept *demand*. (2)
4.14.4 Briefly explain the reason why the demand curve shifted to the right. (2)
4.14.5 How will the new demand curve affect the performance of the economy? (4)

4.15 Study the cartoon and answer the questions that follow

[Source: ***https://thetechpanda.com/***]

4.15.1 Identify the market structure that is illustrated by the cartoon. (1)
4.15.2 Give ONE example of a market in South Africa with only one supplier. (1)
4.15.3 Briefly describe the term *oligopoly*. (2)
4.15.4 How can the consumers in the cartoon benefit from a second grocery store? (2)
4.15.5 Identify the criteria used to determine a market structure. (4)

4.16 Study the graph and answer the questions that follow



4.16.1 Describe the slope of the supply curve. (1)
4.16.2 Identify the quantity produced before the subsidy was issued. (1)
4.16.3 Describe what has happened to the price and quantity in the graph above. (4)
4.16.4 Explain the law of supply in detail. (4)

4.17 Read the extract below and answer the questions that follow

> Of course if you're a monopoly owner of all minibus taxis in South Africa, it's a different story – you can increase taxi fares and tell your passengers to 'suck' it up, like the Airports Company South Africa (ACSA) is doing.
>
> Like most monopolies. ACSA talks a lot about "customer-focused service" – but its actions demonstrate its contempt for its customers. One needs to look no further than the airline industry to see the benefits of introducing competition into the market – not everybody may like low-cost carriers like Kulula and 1Time, but they have given people the option to choose and, together with price comparison sites, South African tour operators have driven airline fees down drastically. Competition has transformed the airline industry, yet a regulated monopoly continues to deliver abject service, endless waits for baggage, high levels of theft, airport security lapses and frequent waits for the arrival of disembarkation equipment.

Source: http://www.southafrica.to/transport/Airports/ACSA-monopoly

4.17.1 What does the acronym ACSA stand for? (1)
4.17.2 Name ONE strategy, according to the case study, that has changed the airline industry. (1)
4.17.3 The writer states that: "you can increase fares and tell your passengers to "suck it up". Briefly discuss why he makes this statement. (4)

4.17.4 Discuss what would make the taxi industry in South Africa a perfectly competitive market? (4)

4.18 Read the extract below and answer the questions that follow

Agricultural demand in South Africa is expected to increase as population and income levels rise.

But, it's not as simple as that. It is essentially about the sector adapting to the change in demand trends. Production will increasingly move from 'production push' to a 'demand pull' principle.

Both consumers and the agricultural sector are at crucial turning points that will change the way that food is produced and consumed in the country. The one solid fact that is certain is that we will need to continuously produce more food to meet an ever-growing demand.

But, the type of food and the nature of its production must continuously adapt to meet consumers' much more sophisticated needs.

SOURCE: www.crsnewssa.co.za, 16/02/2016

4.18.1 Supply the extract with an appropriate heading. (1)
4.18.2 Give any ONE reasons why the demand for agricultural products (food) could increase (1)
4.18.3 Explain what will happen with the demand curve if there is a change in the quantity demanded of food products. (2)
4.18.4 Why do people buy more when prices decrease? (2)
4.18.5 What does the law of demand imply? (4)

Useful Tips

All section B questions have TWO 8 marks questions. One is a M**iddle order** paragraph, the other is a **Higher order** paragraph

QUESTION 5 Paragraph type questions – Middle Cognitive

5.1 Distinguish between national and international markets. (8)
5.2 Briefly discuss the composition of markets. (8)
5.3 Explain the factors that will determine the existence/composition of a market. (8)
5.4 Discuss any TWO characteristics of perfect markets. (8)
5.5 Differentiate between complementary goods and substitute goods. (8)
5.6 Briefly discuss FOUR characteristics of an imperfect market. (8)
5.7 Discuss the nature of the product and barriers to entry as characteristics of oligopoly. (8)
5.8 Discuss the number of suppliers and control over prices as characteristics of a perfect market. (8)

5.9 Explain any FOUR conditions which have to be fulfilled for a good/service to penetrate the world market. (8)

5.10 Illustrate the movement along the demand curve with the aid of a graph. (8)

5.11 With the aid of the supply schedule below, draw and explain the supply curve. (8)

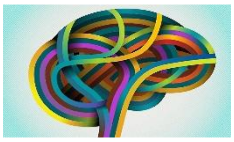
5.12 Illustrates the shifts in the demand curve if the level of income increases and decreases. (8)

5.13 Use own demand and supply schedules to sketch the demand and supply curves within the same set of axes. (8)

5.14 Explain the change in supply with the aid of a graph. (8)

5.15 Discuss any TWO functions of a market. (8)

5.16 Differentiate between a shift of the demand curve and a movement along the demand curve. (8)



TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

QUESTION 6 **Paragraph type questions – Higher cognitive**

6.1 Evaluate the impact of world markets on the economy. (8)

6.2 Evaluate the impact of Covid-19 on the domestic and world markets. (8)

6.3 What positive impact will an increase in suppliers of electricity have on South Africa? (8)

6.4 How can the government protect consumers against exploitation by imperfect markets? (8)

6.5 Why is it not advisable for an individual seller in a perfect market to charge a price which is above or below the market price? (8)

6.6 How does the cost of production impact on the quantity supplied? (8)

6.7 What role does technology play in supply, demand and the price of goods and services? (8)

6.8 Analyse the impact of Covid-19 outbreak on the hand sanitizer market. (8)

6.9 Analyse the reasons why the imperfect market can manipulate prices. (8)

6.10 Why is competition in the marketplace good for the economy? (8)

6.11 Why prices are important in a market economy? (8)

SECTION C

HINT: All section C questions have TWO questions 5 & 6 NOT like in this document. In the examination you will need to answer only one.

ESSAY STRUCTURE

HINT: Section C – the long question, must be answered in FOUR sections: Introduction (definition), Body (headings and full sentences in bullets) additional part and conclusion (summarising). The mark allocation for Section C is as follows:

STRUCTURE OF ESSAY:	MARK ALLO-CATION:
Introduction The introduction is a lower-order response. • A good starting point would be to the main concept related to the question topic • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body • Avoid saying in the introduction what you are going to discuss in the body	Max 2
Body: **Main part:** Discuss in detail/ In-depth discussion/ Examine/ Critically discuss/ Analyse / Compare/ Distinguish/ Differentiate/ Explain/ Evaluate **Additional part:** Critically discuss/ Evaluate/ Critically evaluate/ Calcu-late/ Deduce/ Compare/ Explain Distinguish / Interpret/ Briefly debate/ How/ Suggest / Draw a graph	Max 26 Max 10
Conclusion Any Higher or conclusion include: • A brief summary of what has been discussed without repeating facts already mentioned in the body • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations	Max 2
TOTAL	**40**

QUESTION 7

- Discuss in detail the characteristics of perfect and imperfect markets under the following headings:
  - Number of sellers
  - Nature of the product
  - Barriers to entry
  - Information availability
  - Ability of suppliers to change prices

(26)

- Why is competition in the marketplace good for the economy? (10)

[40]

QUESTION 8

- Discuss market structures in detail according to the characteristics: Number of producers, nature of the product, barriers to entry and availability of information (26)
- Briefly explain the conditions that an item or service must meet for it to be suitable for trade in the world market. (10)

[40]

QUESTION 9

- Discuss price formation, with the aid of graphs, under the following headings:
  - Equilibrium point, price and quantity (12)
  - Effect on markets if there is an increase in both demand and supply (14) (26)
- Why prices are important in a market economy? (10)

[40]

QUESTION 9

- Discuss in detail how the interaction between supply and demand determines the price of goods and services in a free market structure. (26 marks)
- Using a graph, analyse the effect that a production subsidy by the Government will have on the market price of a specific good or service. (10 marks)

QUESTION 10

- Discuss in detail, the FOUR most important characteristics by which markets can be identified. (26 marks)
- Draw a well-labelled graph indicating market equilibrium, market shortage and market surplus. (10 marks)

QUESTION 11

- Discuss in detail, using diagrams, how the forces of demand and supply determine the equilibrium price in the product market. (26)
- Explain the factors that influence the demand for a product. (10)

[40]

QUESTION 12

- Discuss in detail the characteristics of perfect and imperfect markets. (26)
- What steps can government take to prevent market failure? (10)

[40]

QUESTION 13

- Discuss the factors that influence the supply of products. (26)
- How does an increase in the price of the petrol affect producers and consumers? (10)

QUESTION 14

- Discuss the characteristics of a monopoly in detail. (26)
- Why are markets so crucial in a country? (10) [40]

QUESTION 15

- Discuss the factors that influence demand and quantity. (26)
- Distinguish between the characteristics of a Perfect market and a Monopoly. **[40]**

MICROECONOMICS:
TOPIC 2: PRODUCTION POSSIBILITY CURVES & INDIFFERNCE CURVES WEEK 4 - 6

CONCEPT	DEFINITION / DESCRIPTION
Allocative efficiency	Producing goods and services demanded by consumers at a price that reflect the marginal cost of supply
Allocative inefficiency	Occurs when businesses **do not maximise** output from the given inputs.
Black market	An **illegal market** in which **illegal goods** are bought and sold or **illegal prices** are charged
Indifference curve	A graphical representation of sets of goods that gives the consumer the same utility
Market failure	Market failure occurs when the resources of the community are allocated **inefficiently**
Non-excludability	Users who do not pay to use goods (free riders) **cannot be excluded** from using them.
Opportunity Costs	This refers to a trade-off between two products, the sacrificed alternative / the cost expressed in terms of the **next best alternative** sacrificed
Pareto efficiency	Refers to the situation where resources cannot be **reallocated** to make one person / group **better** off without making another person / group **worse** off
Production Possibility Curves	The combinations of any **two goods** that can be produced with no wastage and using resources to the best advantage
Productive efficiency	This is achieved when it is not possible for an economy (or individual producer) to allocate its scarce resources to produce more of one good without producing less of another good.
Productive/ technical inefficiency	Occurs when businesses **do not allocate resources** correctly and produce goods and services that consumers do not want.
Scarcity	the limited supply of resources relative to people's needs and wants
Utility	The degree to which a product can satisfy the needs or wants of consumers

SECTION A: TYPICAL EXAM QUESTIONS

DYNAMICS OF MARKETS

QUESTION 1: **Section A – Short Questions**

HINT: When answering Section A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

1.1.1. The purchase of a school bag instead of a movie ticket indicates the economic principle of …

A exchange.
B savings.
C scarcity.
D opportunity costs.

1.1.2 The line that shows different combinations of goods that can be bought by a consumer is known as the ... line.

A budget
B production
C consumption
D sales

1.1.3The concept of scarcity is illustrated on the Production Possibility Curve with points …

A inside the Production Possibility Curve.
B on the Production Possibility Curve
C outside the Production Possibility Curve.
D inside and outside the Production Possibility Curve.

1.1.4 The line that represents all alternative combinations of goods that can be purchased by consumers is referred to as …

A the budget line.
B the selling line.
C the production line.
D the consumption line.

1.1.5 Market failures occur when…

A there is no demand for a product.
B governments intervene.
C supply for a product is too great.
D inefficiencies occur in the allocation of resources and income.

1.1.6 The concept of scarcity is illustrated on the Production Possibility Curve by …

A points inside the PPC.
B points outside the PPC.
C points on the PPC.
D points inside and outside the PPC.

1.1.7 All the points that are inside the Production Possibility Curve indicate …

A scarcity.
B choice.
C inefficiency.
D opportunity cost

1.1.8 This factor will lead to an outward movement of the PPC.
- A Improved technology
- B Unavailability of labour
- C Lack of raw materials
- D Unproductive labour

1.1.9 This type of efficiency refers to when it is impossible to make one party better off without making someone worse off.
- A Allocative efficiency
- B Pareto efficiency
- C Productive efficiency
- D Budget efficiency

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Pareto efficiency	A. Producing goods and services demanded by consumers at a price that reflect the marginal cost of supply.
1.2.2 Allocative efficiency	B. When it is impossible to increase one's welfare without decreasing the welfare of another
1.2.3 Productive efficiency	C. This is achieved when it is not possible for an economy (or individual producer) to allocate its scarce resources to produce more of one good without producing less of another good.
1.2.4 Opportunity cost	D. A graphical representation of sets of goods that gives the consumer the same utility
1.2.5 Allocative inefficiencies	E. The combinations of any two goods that can be produced with no wastage and using resources to the best advantage
1.2.6 PPC	F. the cost expressed in terms of the next best alternative sacrificed
1.2.7 Scarcity	G. This means that the types/quantities of goods or services produced are not what is best for consumers.
1.2.8 Indifference curve	H. Where both productive and allocative efficiency is achieved
1.2.9 Sacrifice	I. The degree to which a product can satisfy the needs or wants of consumers.
1.2.10 Utility	J. shows a combination of two goods which gives the consumer the same level of satisfaction.
	K. the limited supply of resources relative to people's needs and wants)
	L. This refers to a trade-off between two products

HINT: Learners must know their concepts well, as this will assist in a better understanding of the content in general. Leaners are encouraged to revise with these type of questions, that are found in Section A of the paper

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. No *abbreviations, acronyms or examples* will be accepted.

1.3.1 This is what the point outside the production possibility curve is called.
1.3.2 When the producer does not produce at the lowest possible cost
1.3.3 A market that lacks optimum resource allocation and is unable to produce the quantity of goods that people want.
1.3.4 The curve that illustrates all the possible production options within a community that has a fixed set of resources
1.3.5 A graph showing all the combinations of two commodities that give a consumer an equal amount of satisfaction

SECTION B

QUESTION 2:

HINT: When the question requires you to "list" or "name", you need not write a sentence but merely few words or a phrase. This MUST be done in bullet form. This types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1

2.1	Name TWO kinds of inefficiencies related to market failures.	(2 x 1)
2.2	List TWO characteristics of the indifference curve.	(2 x 1)
2.3	Name TWO types of efficiencies	(2 x 1)
2.4	Mention any TWO properties of indifference curves.	(2 X 1)

QUESTION 3:

These types of questions are applicable for 2.1.2, 3.1.2 and 4.1.2. Answers must be provided in full sentences; learners must ensure that their answer addresses the question asked

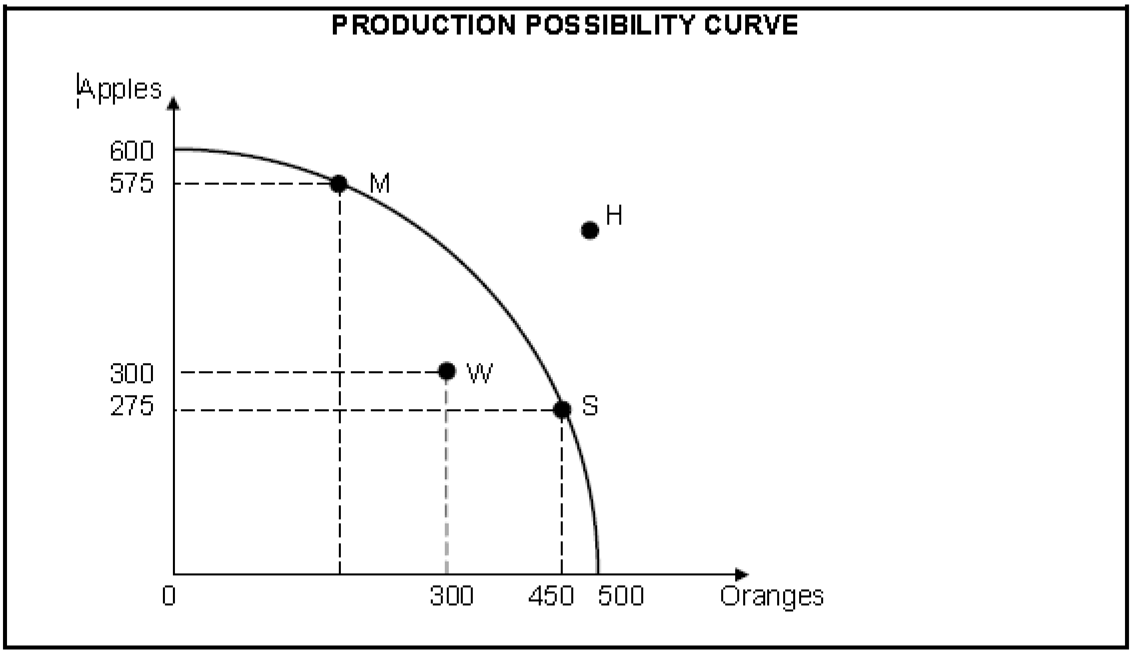
3.1	What is the effect of scarce resources on producers?	(1 x 2)
3.2	What does a steep slope of an indifference curve indicate?	(1 x 2)
3.3	What is an opportunity cost?	(1 x 2)
3.4	What is scarcity?	(1 x 2)
3.5	What is choice?	(1 x 2)
3.6	What are the effects of inefficiencies?	(1 x 2)
3.7	What does the PPC show?	(1 x 2)
3.8	What does an indifference curve show?	(1 x 2)

DATA RESPONSE

HINT: All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document

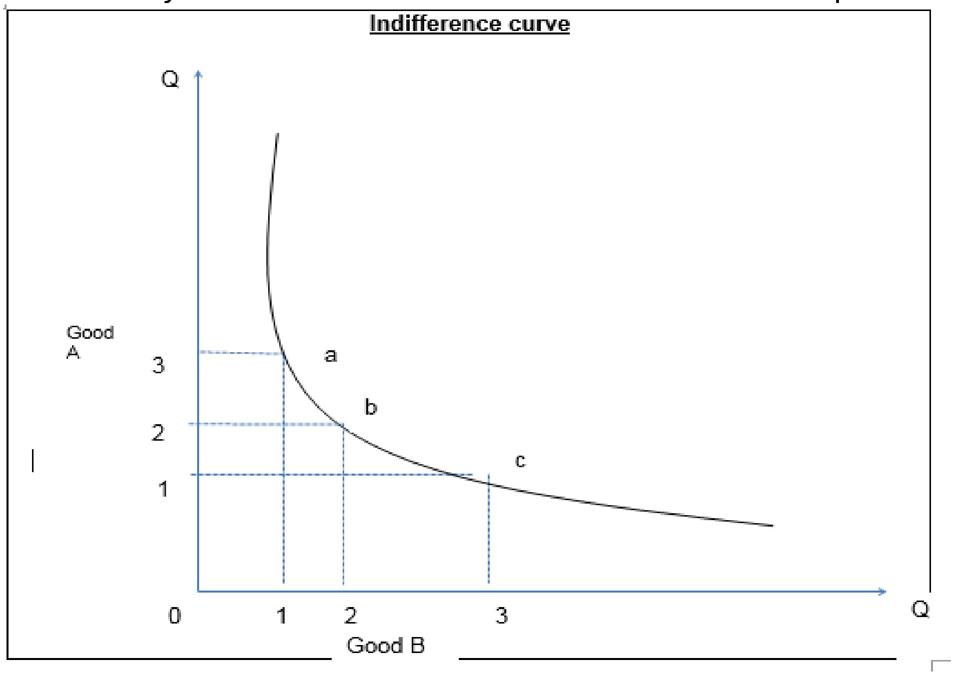
QUESTION 4:

4.1. Study the graph below and answer the questions that follow:



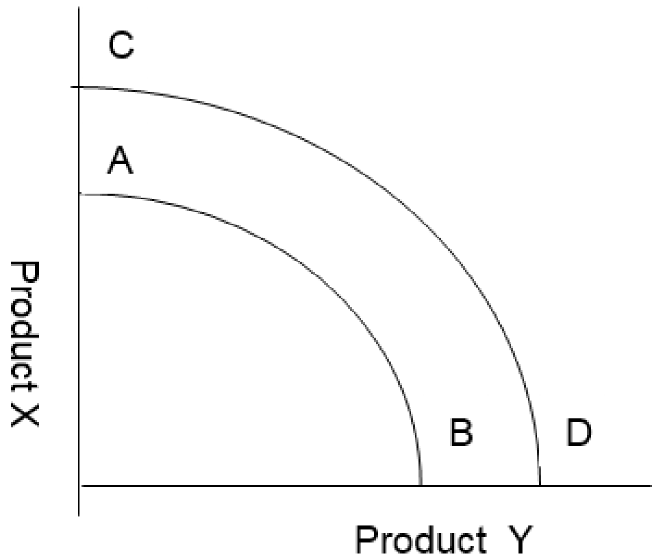
4.1.1 Identify how many apples will be produced at point s. (1)
4.1.2 Identify the inefficient point. (1)
4.1.3 Briefly describe the term *production possibility curve.* (2)
4.1.4 What is the purpose of PPCs? (2)
4.1.5 Why is it not possible to produce at point H? (4)

4.2 Study the indifference curve below and answer the questions



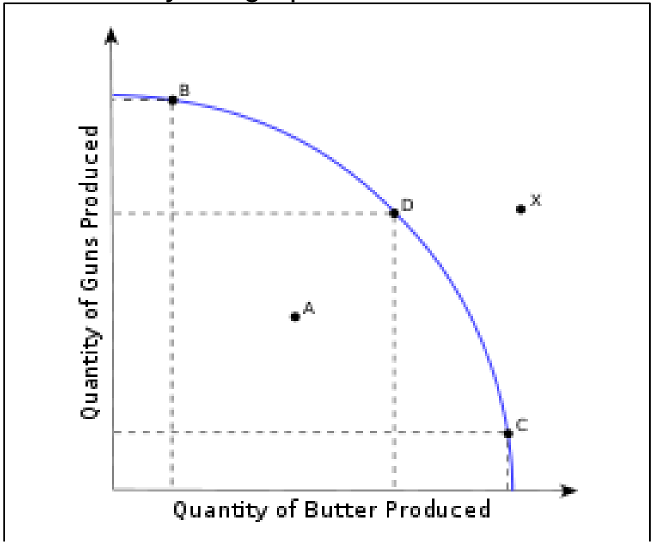
4.2.1 What does the negative slope of the indifference curve indicate? (1)
4.2.2 Which participant is represented by the indifference curve? (1)
4.2.3 Briefly describe the term *indifference curve*. (2)
4.2.4 What does the indifference curve illustrate? (2)
4.2.5 Why do consumers make choices between alternative products? (4)

4.3 Study the curve below and answer the questions that follow.



4.3.1 Identify the curve that will produce better production combinations (1)
4.3.2 What is the shape of this curve? (1)
4.3.3 Briefly describe the term *production possibility curve* (2)
4.3.4 What does the shift in the curve from AB to CD show? (2)
4.3.5 Discuss possible reasons for the curve AB shifting to CD. (4)

4.4 Study the graph below and answer the questions that follow:



4.4.1 What do we call Point A? (1)
4.4.2 Why is it impossible to produce at point X? (1)
4.4.3 Briefly describe the term *Scarcity* (2)
4.4.4 How can the PPC to move to Point x? (2)
4.4.5 What would the opportunity costs be if production changes from Point B to Point C? (4)

4.5 Study the information below and answer questions that follow.

Mrs Dube is in charge of spending the Dube household income and has to decide how much to spend on food and how much to spend on clothing. When interviewed she said that the following bundles of clothing and food would give the family an equal amount of satisfaction.

TABLE OF INCOME SPENDING BY MRS DUBE

CLOTHING	FOOD
15	10
10	14
5	20
4	30

4.5.1 From the table above how many bundles of food will the household buy if they bought 10 bundles of clothes? (1)
4.5.2 How many bundles of clothes must this household give up if they increase the spending on food from 5 to 10 bundles? (1)
4.5.3 What does any point below the indifference curve indicate? (2)
4.5.4 How could the indifference curve influence the choices of producers in a mixed economy? (2)
4.5.5 Use the information in the table above to draw an indifference curve to represent Mrs Dubes' household spending. (4)

4.6 Consumer indifference curve for clothing and food

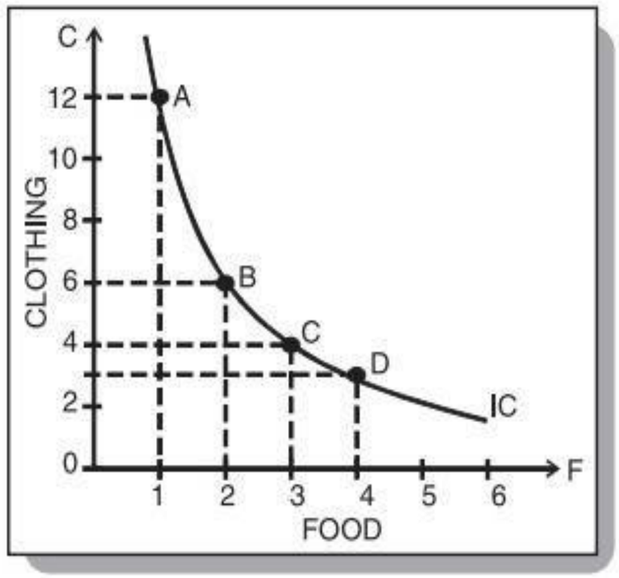
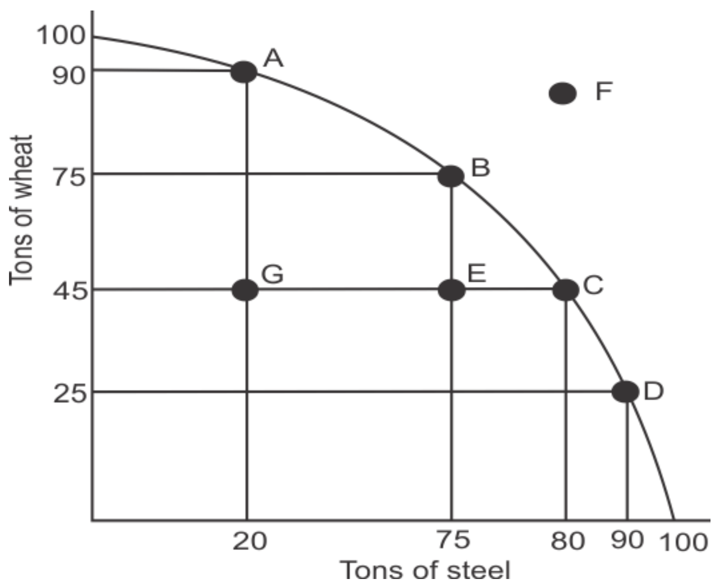


Fig. 1 : A Consumer's Indifference Curve

4.6.1 Identify the shape of the curve as shown in Fig. 1. (1)
4.6.2 What is the main reason for the shift in a consumer's indifference curve? (1)
4.6.3 What is the difference between an indifference curve and a production possibility curve? (2)
4.6.4 What does an indifference curve analyse? (2)
4.6.5 How is *the law of substitution* applied to an *indifference curve?*. (4)

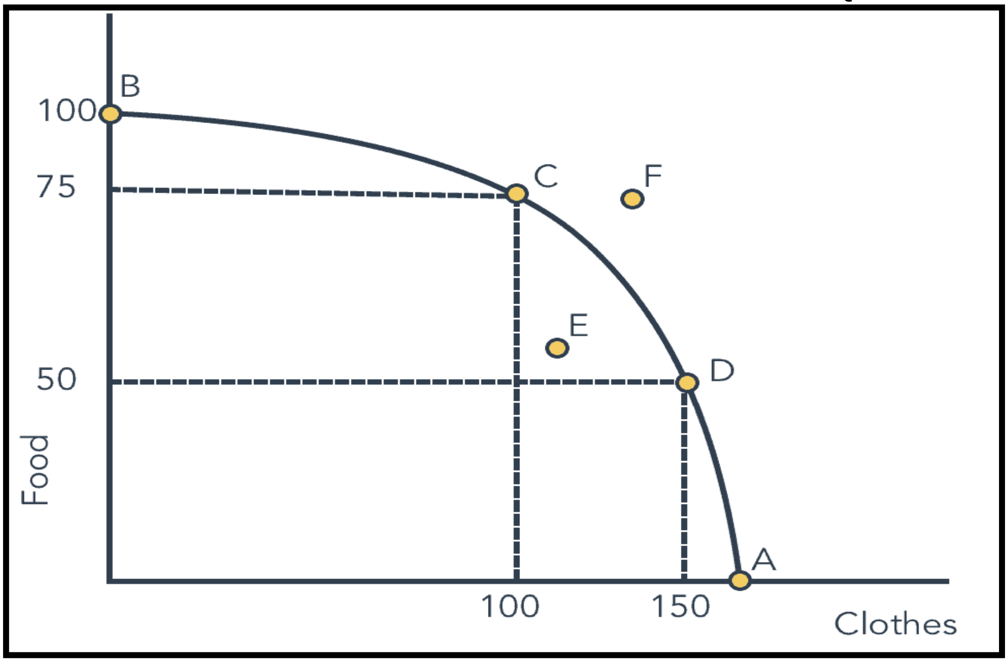
4.7 STUDY THE CURVE BELOW AND ANSWER THE QUESTIONS THAT FOLLOW:

PRODUCTION POSSIBILITY CURVE



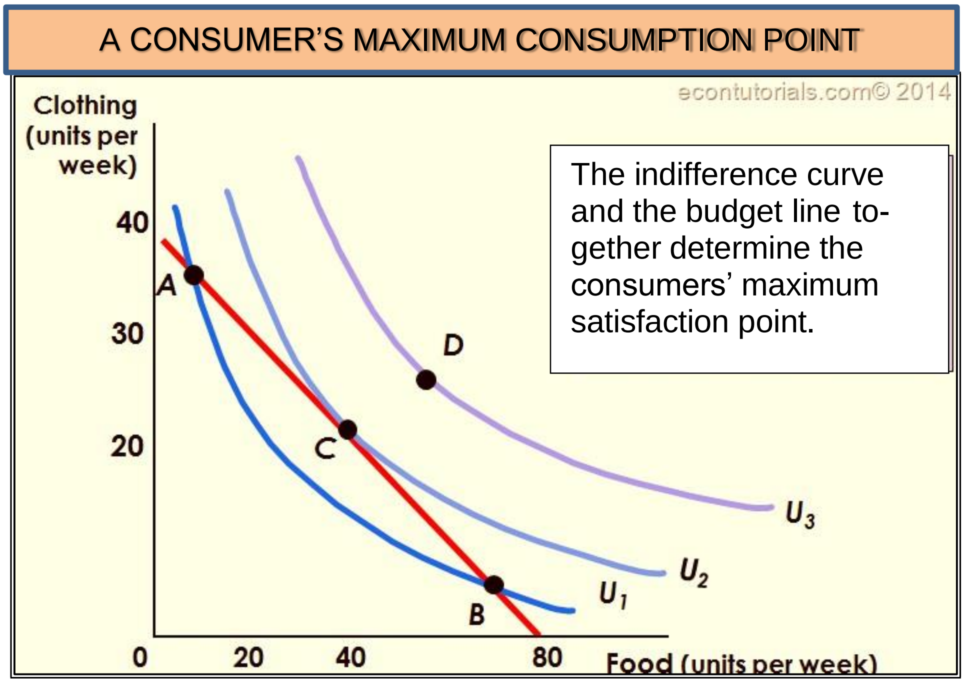
4.7.1 How many tons of wheat will be produced at Point B? (1)
4.7.2 How many tons of tons of steel will be produced at Point B? (1)
4.7.3 For what purpose is the production possibility curve used? (2)
4.7.4 Why does scarcity occur? (2)
4.7.5 Why is production at point G regarded as inefficient? (4)

4.8 STUDY THE CURVE BELOW AND ANSWER THE QUESTIONS THAT FOLLOW



4.8.1 Name the curve above (1)
4.8.2 Identify the quantity of clothes produced at point **B**. (1)
4.8.3 Why is it difficult to produce at point **F**? (2)
4.8.4 What would the opportunity cost, in terms of food, be when producing at point C instead of point B? (2)
4.8.5 Identify internal factors that cause the above curve to shift outwards in an equal way. (2 x 2) (4)

4.9 Study the information below and answer the questions that follow.



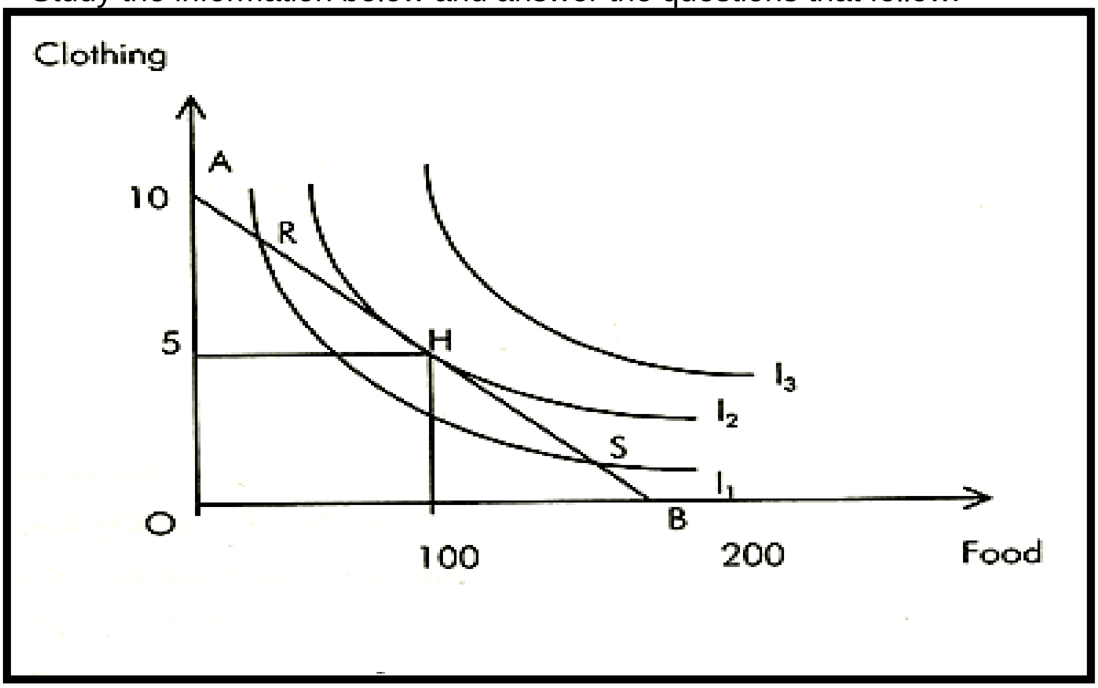
4.9.1 What is depicted by the graph above? (1)

4.9.2 Which combination of the two goods should the consumer choose in order to maximise satisfaction. (1)

4.9.3 Differentiate between an indifference curve and a budget line. (2 x 2) (4)

4.9.4 How can indifference curves and a budget line be used to determine a consumer's maximum satisfaction point? (2 x 2) (4)

4.10 Study the information below and answer the questions that follow.



4.10.1 What is represented by the graph above? (1)

4.10.2 Which point shows consumer maximum satisfaction? (1)

4.10.3 Briefly describe the concept *budget line.* (2)

4.10.4 What does the shift in the curve from **I**$_2$ to **I**$_3$ show? (2)

4.10.5 Distinguish between demand and quantity demanded. (2 x 2) (4)

HINT: All section B questions have TWO 8 marks questions, numbered according to questions not like in this document.

QUESTION 5 **Paragraph type questions – Middle Cognitive**

5.1.1 Discuss the characteristics of indifference curves with the aid of a graph. (8)
5.1.2 Differentiate between productive inefficiency and allocative inefficiency (8)
5.1.3 Discuss the difference between COMPLEMENTARY and SUBSTITUTE GOODS. (8)
5.1.4 With the aid of a graph discuss consumer's indifference map for beef and chicken. (8)

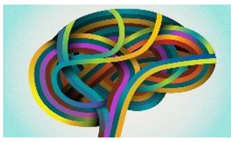
5.1.5 Discuss *productive inefficiency* and *allocative inefficiency* as effects of market failure. (2 x 4)

5.1.6 Discuss the internal reasons why a PPC will move outwards (to the right) (8)

5.1.7 Outline the properties of the indifference curve. (8)

5.1.8 What are the differences between the PPC and the indifference curve? (8)

QUESTION 6 **Paragraph type questions – Higher cognitive**



TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

6.1 How can indifference curves and a budget line be used to determine a consumer's maximum satisfaction point? (8)
6.2 Analyse productive inefficiency with the aid of a production possibility curve. (4 x 2)
6.3 With reference to a PPC discuss the relationship between the two competing goods. (8)
6.4 With reference to indifference curves discuss the relationship between the two competing goods (8)

SECTION C

HINT: All section C questions have TWO questions 5 & 6 NOT like in this document. In the examination you will need to answer only one.

ESSAY STRUCTURE

HINT: Section C – the long question, must be answered in FOUR sections: Introduction (definition), Body (headings and full sentences in bullets) additional part and conclusion (summarising). The mark allocations for Section C is as follows:

STRUCTURE OF ESSAY:	MARK ALLOCATION:
Introduction The introduction is a lower-order response. • A good starting point would be to the main concept related to the question topic • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body • Avoid saying in the introduction what you are going to discuss in the body	Max 2
Body: **Main part:** Discuss in detail/ In-depth discussion/ Examine/ Critically discuss/ Analyse / Compare/ Distinguish/ Differentiate/ Explain/ Evaluate **Additional part:** Critically discuss/ Evaluate/ Critically evaluate/ Calculate/ Deduce/ Compare/ Explain Distinguish / Interpret/ Briefly debate/ How/ Suggest/ Draw a graph	Max 26 Max 10
Conclusion Any Higher or conclusion include: • A brief summary of what has been discussed without repeating facts already mentioned in the body • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations	Max 2
TOTAL	**40**

QUESTION 7

Discuss in detail the Production Possibility Curve by linking that to the concepts of Pareto, Productive and Allocative efficiency/inefficiency (with the use of a well labelled graph) (26)

How does the indifference curve relate to the PPC? (10)

[40]

MICROECONOMICS:
TOPIC 3:PUBLIC SECTOR INTERVENTION
WEEK 7 - 9

KEY CONCEPT	DEFINITION /DESCRIPTION
Ad valorem tax	Where tax is levied as a percentage of the product
Direct taxes	taxes on the income of individuals and profits of businesses
Employment subsidy	subsidization of wages by the government as an incentive to businesses to create more jobs
Excise duty	levied on consumption of products which are harmful to human health
Merit goods	A product that society values and everyone should have
Minimum wage	The lowest wage an employer is allowed to pay an employee, which sits above the equilibrium point
Price ceiling / Maximum price	the highest price for which a good or service can be sold which sits below the equilibrium point
Price floor / Minimum price	Where the price set above the equilibrium price
Public sector	Central government, provincial governments, local governments and state-owned enterprises
South African Revenue Services	Collects taxes on behalf of the South African government
Taxes	compulsory payments made by the people and businesses to the state.

SECTION A: TYPICAL EXAM QUESTIONS

QUESTION 1: **Section A – Short Questions**

HINT: When answering Section A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

1.1.1 Price set by government to ensure affordability to the poor is called … prices.

A.	maximum	C.	market
B.	minimum	D.	normal

1.1.2 In the case of merit goods, the market tends to … these goods.

A. over supply
B. under supply
C. under demand
D. over produce

1.1.3 Governments set minimum prices which are … market price.

A.	below	C.	similar
B.	equal	D.	above

1.1.4 … is an example of indirect taxation.

A.	inheritance tax	C	company tax
B	PAYE	D	sin tax

1.1.5 Which ONE of the following is a state-owned company?

A.	Telkom	C.	Transnet
B.	Mittal	D.	Sasol

1.1.6 Black markets are a consequence of …

A. minimum prices
B. minimum wages
C. maximum prices
D. taxation

1.1.7 The government discourages the use of harmful products by …

A. granting subsidies
B. charging indirect taxation
C. implementing maximum prices
D. granting welfare grants

1.1.8 An advantage of minimum wage is …

A. improvement in the standard of living of the workers
B. a reduction in the demand for workers.
C. retrenchment of workers
D. exploitation of the workers

1.1.9 When the market has not achieved the best allocation of resources.
- A Goal Failure
- B Resource Allocation
- C Mark success
- D Resource failure

1.1.10 … is the cost borne by people who are not involved in the production process.
- A Production inefficiency
- B Allocation Inefficiency
- C Positive externalities
- D Negative externalities

1.1.11 … is the effect on a party not directly involved in the transaction.
- A Outside factor
- B Externality
- C Production factor
- D Internality

1.1.12 … is the highest price at which a product can be sold.
- A Purchase price
- B Selling price
- C Maximum price
- D Minimum price

1.1.13 The lowest price that consumers of a product are obliged to pay is known as the…
- A purchase price.
- B selling price.
- C maximum price.
- D minimum price.

1.1.14 Which of the following is NOT a reason for market failure?
- A Undersupply of goods and services
- B Quantity and prices are unreasonable
- C The distribution of income and wealth
- D Law

1.1.15 The following is a reason for implementing minimum price.
- A Governments hope to guarantee a steady income to producers
- B So that basic food prices can be kept low
- C To prevent consumers from being exploited
- D So that the production of certain goods and services is limited

(15 x 2) (30)

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Employment subsidy	A compulsory payments made by the people and businesses to the state.
1.2.2 Price floor	B collects taxes on behalf of the South African government
1.2.3 Direct taxes	C the maximum price for which a good or service can be sold
1.2.4 Excise duty	D taxes on the income of individuals and profits of businesses
1.2.5 South African Revenue Services	E A product that society values and everyone should have
1.2.6 Taxes	F levied on consumption of products which are harmful to human health
1.2.7 Price ceiling	G minimum price set above the equilibrium price
1.2.8 Minimum wage	H aims at keeping inflation between 3-6%.
1.2.9 Ad valorem tax	I Central government, provincial governments, local governments, and state-owned enterprises
1.2.10 Merit goods	J The lowest price consumers have to pay
1.2.11 Maximum price	K The lowest wage an employer is allowed to pay an employee
1.2.12 Public sector	L Taxes specifically calculated on the income of individuals and companies
1.2.13 Minimum price	M Charged on fixed products such as tobacco and alcohol.
	N Where tax is levied as a percentage of the product
	O The benefits gained by individuals through the use of public goods and services
	P subsidization of wages by the government as an incentive to businesses to create more jobs

(13 x 1) (13)

HINT: Learners must know their concepts well, as this will assist in a better understanding of the content in general. Leaners are encouraged to revise with these type of questions, that are found in Section A of the paper

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. *No abbreviations, acronyms and examples will be accepted.*

1.3.1 A price set above the equilibrium price/market price to allow producers to make a fair profit.
1.3.2 A wage rate set by the government, below which no employer can pay their workers and it is set above the equilibrium wage rate.
1.3.3 A price set below the equilibrium price/market price to make goods affordable.
1.3.4 A financial assistance given by the government to businesses or individuals.
1.3.5 Taxes levied on goods and services before they reach the consumer but ultimately paid by the consumer as part of the market price.
1.3.6 The highest price at which producers can sell a product.
1.3.7 The lowest price consumers have to pay.
1.3.8 The lowest wage an employer is allowed to pay an employee.
1.3.9 Taxes specifically calculated on the income of individuals and companies.
1.3.10 Taxes charged on goods that the government believes are harmful to human health.
1.3.11 Central government, provincial governments, local governments, and state-owned enterprises
1.3.12 A product that society values and everyone should have.
1.3.13 Costs incurred by individuals or companies for goods and services.

SECTION B

QUESTION 2:

HINT: When the question requires you to "list" or "name", you need not write a sentence but merely one or two words. This MUST be done in bullet form. This types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1

2.1 List any TWO levels of the government (2 x 1) (2)
2.2 List any TWO examples of indirect taxes (2 x 1) (2)
2.3 Name any TWO types of subsidies (2 x 1) (2)
2.4 List any TWO types of workers who qualify to receive minimum wage in South Africa? (2 x 1) (2)
2.5 Name any TWO social welfare grants which are received by South Africans. (2 x 1) (2)
2.6 Name any TWO businesses which are owned by the South African government (2 x 1) (2)

QUESTION 3:

These types of questions are applicable for 2.1.2, 3.1.2 and 4.1.2. Answers must be provided in full sentences; learners must ensure that their answer addresses the question asked

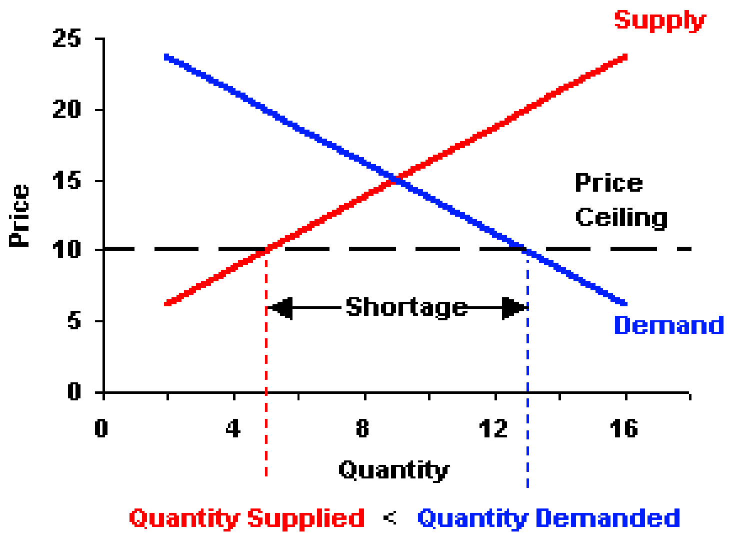
3.1 Why did the South African government introduce a minimum wage? (2)
3.2 Why do governments provide export subsidies? (2)
3.3 Why does the government provide subsidies to the farmers? (2)
3.4 How will an increase in VAT affect the consumers? (2)
3.5 How does the minimum price benefit businesses? (2)
3.6 What is the impact of maximum price on the consumers? (2)
3.7 Why does the government charge excise duty? (2)
3.8 How will consumers benefit from production subsidies? (2)
3.9 Why does the government provide public goods and merit goods? (2)

DATA RESPONSE

HINT: All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document

QUESTION 4:

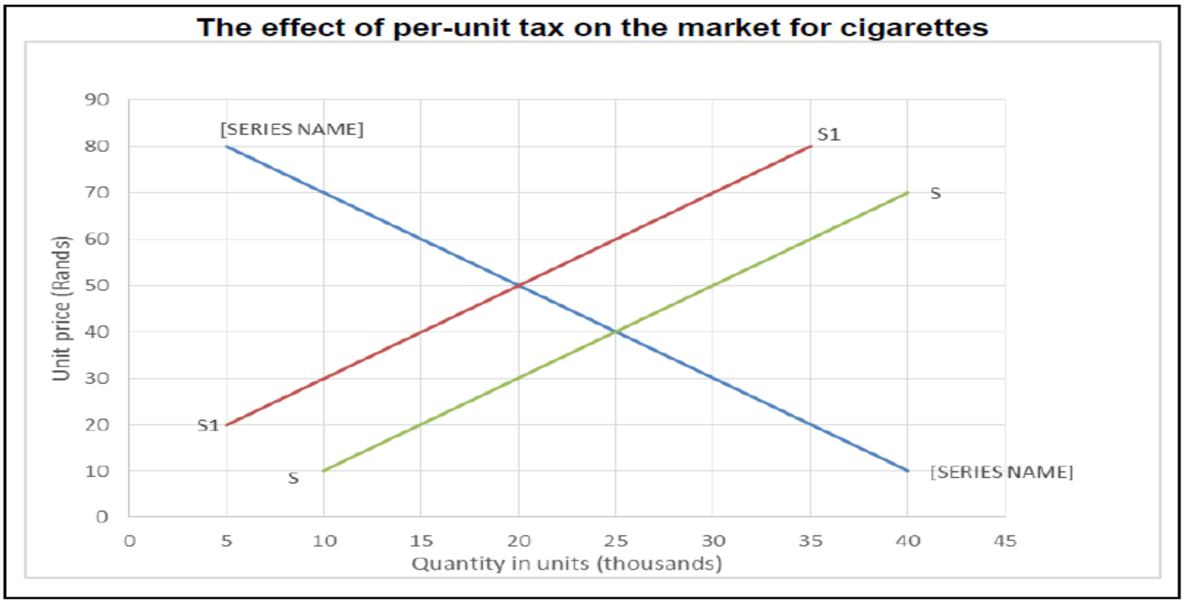
4.1 Study the graph below and answer the questions that follow.



4.1.1 Identify the equilibrium price from the above graph (1)
4.1.2 Which price is regarded as the maximum price on the graph? (1)
4.1.3 Briefly describe the term *price ceiling*. (2)
4.1.4 What will happen if there is a shortage of goods when a price ceiling is implemented on a certain product? (2)
4.1.5 How do price ceilings influence the economy? (4)

[10]

4.2 Study the graph below and answer the questions that follow.



4.2.1 State the equilibrium price of cigarettes before the implementation of the tax. (1)

4.2.2 What is the new equilibrium price after the R10, 00 tax was imposed?(1)

4.2.3 Briefly explain the term *equilibrium quantity*. (2)

4.2.4 Explain what effect the per-unit tax has had on the price and quantities demanded and supplied. (2)

4.2.5 Why does the government always ensure that there is an increase in sin tax. (4)

[10]

4.3 Study the extract below and answer the questions that follow.

Minimum wage
When the forces of demand and supply in a free market economy determine wages, there is no guarantee that workers will earn enough to cover basic costs of living. Some workers, especially unskilled workers are at a disadvantage when they negotiate wages with employers. The government need to intervene in the labour market and set minimum wages.
Source: Extracted from Clever Economics Grade 10 Learner' book

4.3.1 Name ONE sector in which minimum wage laws currently apply. (1)

4.3.2 Which government department is responsible for monitoring the implementation of minimum wages in South Africa? (1)

4.3.3 Briefly describe the term *minimum wage*. (2)

4.3.4 What will be the reaction of the supply of labour after the introduction of a minimum wage? (2)

4.3.5 How will minimum wage positively affect the workers? (4)

[10]

4.4 Study the table below and answer the questions that follow.

Table 5.6 Consolidated government expenditure by function[1]

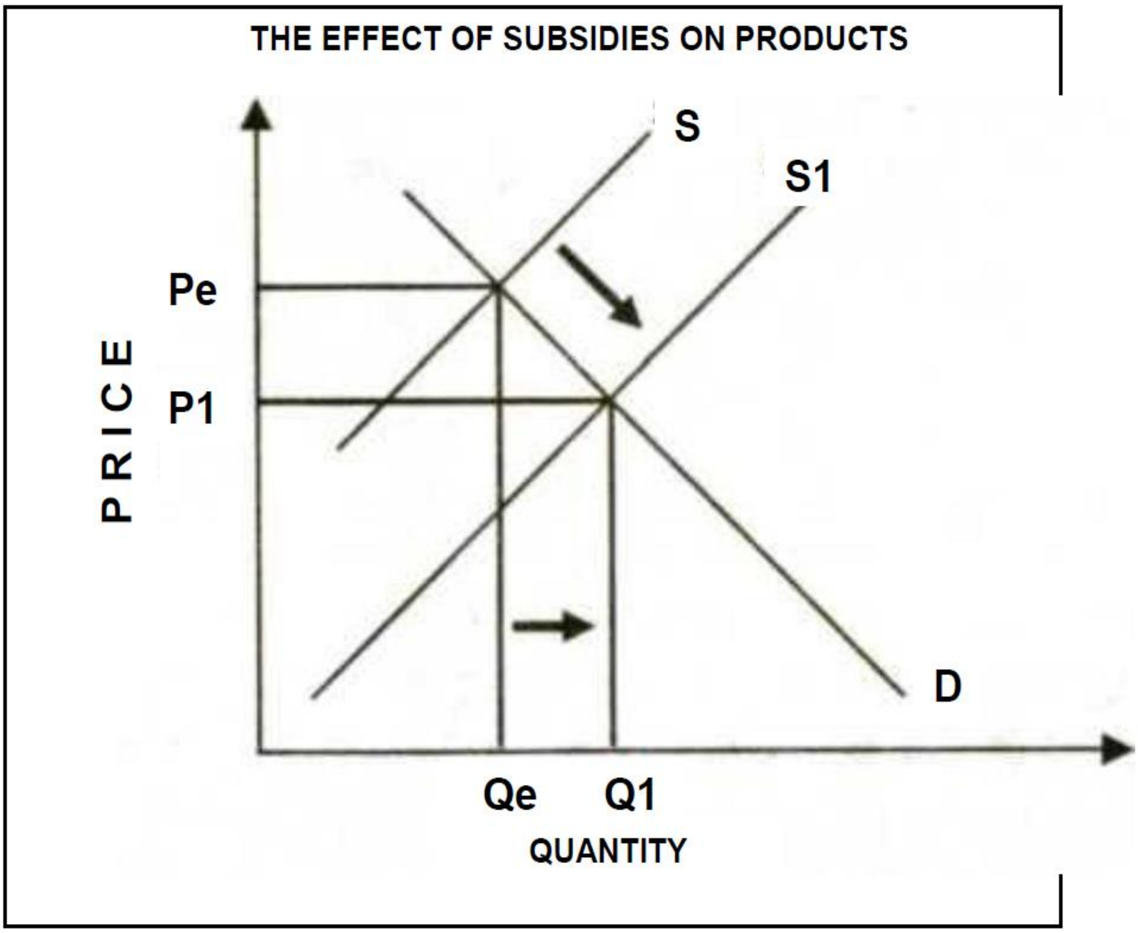
R million	2019/20 Revised estimate	2020/21	2021/22	2022/23	Percentage of total MTEF allocation	Average annual MTEF growth
		Medium-term estimates				
Learning and culture	**385 593**	**396 422**	**417 767**	**434 166**	**23.4%**	**4.0%**
Basic education	262 458	265 881	281 433	293 211	15.7%	3.8%
Post-school education and training	112 087	118 847	124 209	128 386	7.0%	4.6%
Arts, culture, sport and recreation	11 049	11 694	12 125	12 569	0.7%	4.4%
Health	**221 962**	**229 707**	**243 970**	**257 559**	**13.7%**	**5.1%**
Social development	**284 479**	**309 512**	**320 056**	**340 924**	**18.2%**	**6.2%**
Social protection	207 528	221 483	236 319	252 037	13.3%	6.7%
Social security funds	76 951	88 029	83 738	88 887	4.9%	4.9%
Community development	**201 675**	**212 347**	**228 194**	**242 169**	**12.8%**	**6.3%**
Economic development	**198 906**	**211 531**	**228 224**	**240 911**	**12.7%**	**6.6%**
Industrialisation and exports	37 393	39 016	43 672	45 664	2.4%	6.9%
Agriculture and rural development	29 608	28 342	29 637	30 658	1.7%	1.2%
Job creation and labour affairs	21 742	22 437	25 158	26 555	1.4%	6.9%
Economic regulation and infrastructure	94 467	105 311	112 566	120 258	6.3%	8.4%
Innovation, science and technology	15 697	16 425	17 191	17 776	1.0%	4.2%
Peace and security	**214 365**	**217 001**	**221 291**	**228 804**	**12.5%**	**2.2%**
Defence and state security	50 766	51 378	48 932	50 439	2.8%	-0.2%
Police services	105 163	106 127	110 758	114 186	6.2%	2.8%
Law courts and prisons	48 448	49 604	51 992	53 641	2.9%	3.5%
Home affairs	9 988	9 891	9 609	10 538	0.6%	1.8%
General public services	**66 337**	**70 009**	**73 238**	**74 064**	**4.1%**	**3.7%**
Executive and legislative organs	14 202	14 571	14 443	15 028	0.8%	1.9%
Public administration and fiscal affairs	44 342	47 277	50 414	50 279	2.8%	4.3%
External affairs	7 793	8 161	8 381	8 758	0.5%	4.0%
Payments for financial assets	**65 223**	**73 646**	**44 116**	**27 298**		
Allocated by function	**1 638 541**	**1 720 175**	**1 776 857**	**1 845 895**	**100.0%**	**4.1%**
Debt-service costs	205 005	229 270	258 482	290 145		12.3%
Contingency reserve	–	5 000	5 000	5 000		
Consolidated expenditure	**1 843 546**	**1 954 445**	**2 040 339**	**2 141 040**		**5.1%**

1. The main budget and spending by provinces, public entities and social security funds financed from own revenue
Source: National Treasury

4.4.1 Which government function received the highest percentage of total MTEF allocation? (1)
4.4.2 Provide ONE example of social security funds. (1)
4.4.3 Briefly describe the term *merit goods*. (2)
4.4.4 What would happen if the government does not provide merit goods and services such as basic education and health? (2)
4.4.5 Calculate the percentage that is allocated to social development in 2020/21. Show ALL calculations. (4)

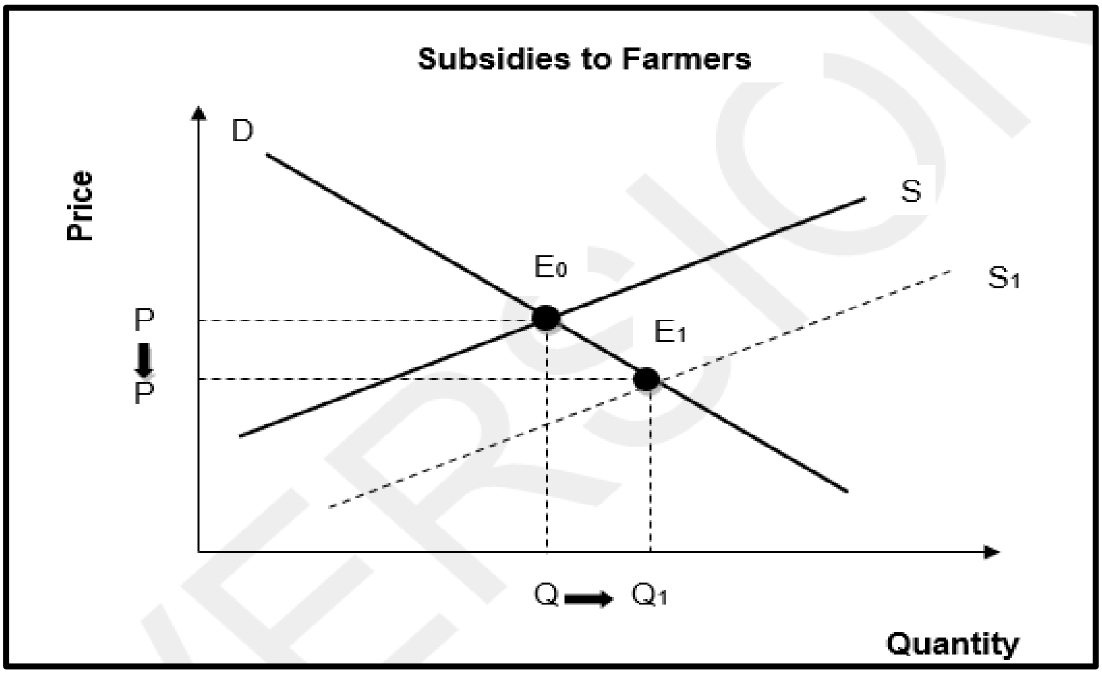
[10]

4.5 Study the graph below and answer the questions that follow.



4.5.1 Provide ONE type of a government subsidy. (1)
4.5.2 Identify the quantity produced before the subsidy was granted. (1)
4.5.3 What does the law of supply entail? (2)
4.5.4 What is the effect of subsidies on the price of the product? (2)
4.5.5 How would a subsidy on petrol benefit the economy? (4)
[10]

4.6 STUDY THE GRAPH BELOW AND ANSWER THE QUESTIONS THAT FOLLOW:



4.6.1 Give ONE example of subsidies that the South African government provides to farmers (1)
4.6.2 Identify the quantity produced before the subsidy was granted. (1)
4.6.3 Briefly explain the term *subsidy* (2).
4.6.4 What is the effect of subsidies on the price of maize to consumers? (2)
4.6.5 How would a reduction in taxation benefit the economy? (4)

[10]

4.7 Study the table below and answer the questions that follow.

Table 8.2 Summary of recapitalisations and bailouts of state-owned companies

R billion	Eskom	South African Airways	Denel	South African Express	South African Broadcasting Corporation	Total
2008/09	10.0	–	–	0.4	–	10.4
2009/10	30.0	1.5	–	–	–	31.5
2010/11	20.0	–	–	–	–	20.0
2011/12	–	–	–	–	–	–
2012/13	0.7	–	0.4	–	–	1.1
2013/14	–	–	–	–	–	–
2014/15	–	–	–	–	–	–
2015/16	23.0	–	–	–	–	23.0
2016/17	–	–	–	–	–	–
2017/18	–	10.0	–	–	–	10.0
2018/19	–	5.0	–	1.2	–	6.2
2019/20	49.0	5.5	1.8	0.3	3.2	59.8
2008/09-2019/20 (history)	**132.7**	**22.0**	**2.2**	**1.9**	**3.2**	**162.0**
2020/21	56.0	10.3	0.6	0.2	–	67.1
2021/22	33.0	4.3	–	–	–	37.3
2022/23	23.0	1.8	–	–	–	24.8
2020/21-2022/23 (MTEF)	**112.0**	**16.4**	**0.6**	**0.2**	–	**129.2**
Total	**244.7**	**38.4**	**2.8**	**2.1**	**3.2**	**291.2**

Source: National Treasury

4.7.1 Which product is manufactured by Eskom? (1)
4.7.2 Identify a company from the table above which manufactures defense equipment in South Africa? (1)
4.7.3 Briefly explain the role of the government in production. (2)
4.7.4 What are the impact of Eskom's load shedding on the economy? (2)
4.7.5 Suggest solutions on how the efficiency of the state-owned enterprises can be improved. (4)

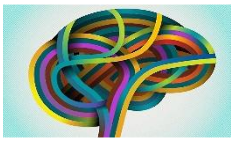
[10]

All section B questions have TWO 8 marks questions. One is a M**iddle order** paragraph, the other is a **Higher order** paragraph

QUESTION 5 **Paragraph type questions – Middle Cognitive**

5.1 Explain by means of a neatly labelled graph, the impact of a subsidy on the maize market. (8)
5.2 Discuss export subsidies and employment subsidies. (2 x 4) (8)
5.3 Explain, with the aid of a diagram, the impact on the labour market when imposing a minimum wage. (8)
5.4 Distinguish clearly between price ceilings and price floors. (2 x 4) (8)
5.5 Discuss production and welfare as public sector intervention in the economy. (2 x 4) (8)

QUESTION 6 **Paragraph type questions – Higher cognitive**



TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

6.1 How has the implementation of minimum wages advantaged the worker in South Africa? (8)
6.2 Analyse the impact of minimum wages on unemployment. (8)
6.3 How effective is the government use of maximum and minimum prices to help consumers and producers? (8)
6.4 Why does the government grant subsidies? (2 x 4)(8)
6.5 Why does the government need to intervene in the economy? (8)

SECTION C

HINT: All section C questions have TWO questions 5 & 6 NOT like in this document. In the examination you will need to answer only one.

ESSAY STRUCTURE

HINT: Section C – the long question, must be answered in FOUR sections: Introduction (definition), Body (headings and full sentences in bullets) additional part and conclusion (summarising). The mark allocations for Section C is as follows:

STRUCTURE OF ESSAY:	**MARK ALLOCATION:**
Introduction The introduction is a lower-order response. • A good starting point would be to the main concept related to the question topic • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body • Avoid saying in the introduction what you are going to discuss in the body	Max 2
Body: **Main part:** Discuss in detail/ In-depth discussion/ Examine/ Critically discuss/ Analyse / Compare/ Distinguish/ Differentiate/ Explain/ Evaluate **Additional part:** Critically discuss/ Evaluate/ Critically evaluate / Calculate/ Deduce/ Compare/ Explain Distinguish / Interpret/ Briefly debate/ How/ Suggest/ Draw a graph	Max 26 Max 10
Conclusion Any Higher or conclusion include:	Max 2

• A brief summary of what has been discussed without repeating facts already mentioned in the body • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations	
TOTAL	**40**

[40]

QUESTION 7

- With the aid of the relevant graphs, discuss in detail state intervention as a consequence of market failures, under the following headings:
  - Maximum prices (10)
  - Minimum prices (8)
  - Taxation (8)

  (26)
- How does the South African government attempt to solve the problem of income inequality? (10)

[40]

CONTENT PROGRESSION – TERM 3 & 4

Grade 10	Grade 11	Grade 12
Growth, Development & Globalisation / Economic Redress	Examination and debate of globalisation, its relevance to the North/South divide, and its effects (negative and positive) on South Africa.	Econ Growth and Development (North/South divide) Comparison of South African growth and development policies in terms of international benchmarks, and highlight the North/South divide
	Explanation of economic growth and development	South Africa's industrial development policies and their suitability in terms of international best practice
Unemployment	Factors of production and their remuneration (Term 1)	Economic and Social Indicators
None	None	Inflation
None	None	Tourism
	Environment deterioration	Environmental sustainability
Population and Labour force	Factors of production and their remuneration (Term 1)	
Labour Relation		
	Composition of Money and Banking in SA	
	Wealth creation and patterns of distribution (inequality)	

ECONOMIC PURSUITS
ECONOMIC GROWTH AND DEVELOPMENT AND GLOBALIZATION (WEEK 1 - 3)

KEY CONCEPTS

TERM/ CONCEPT	DESCRIPTION / DEFINITION
Barter Trade	A process of exchanging goods and services for each other in the absence of money
Economically active population	Consists of people between the ages of 15 and 64 who are working or actively seeking a job
Globalization	The worldwide integration of markets and production
Labour intensive	It uses a lot of human labour
Labour unions	These are bodies that represents may workers in negotiations with management, I an attempt to use collective bargaining to the advantage of the workers
Mercantile Law	It governs commercial transactions
Migration	The movement of people who cross boundaries to settle some-where else
Net Migration	The net migration rate is the difference between the number of immigrants and the number of emigrants throughout the year. When the number of immigrants is larger than the number of emigrants, a positive net migration rate occurs
Nomadic	When people move from place to place for food, water or pas-ture
Savings	Is the difference between income and spending.
Self-sufficient society	Produce only enough for own consumption
Specialisation	Is when a business focusses on producing a limited range of goods and services in order to be more efficient
Urbanisation	The process of people moving from the countryside to love in towns
Globalization	The worldwide integration of markets and production

SECTION A: TYPICAL EXAM QUESTIONS

QUESTION 1: **Section A – Short Questions**

:

: When answering Section A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

1.1 Various options are provided as possible answers to the following questions.
Choose the answer and write only the letter (A–D) next to the question number.

1.1.1 In early societies every household aimed at producing all the goods and services that they needed for their upkeep, this was called …

A. opportunity cost.
B. alternatives.
C. choices.
D. self sufficiency.

1.1.2 This is the first group of people who lived in the Southern and Western parts of Africa.
A. Khoisan
B African tribes
C Europeans
D Arabs

1.1.3 These were associations of crafts men, and other professions who controlled commerce in towns and cities during the period of market evolution:
A Guilds
B Landlords
C Alliances
D Hierarchy

1.1.4 Which ONE of the following is not an example of an important system in the evolution of economic systems?
A Feudalism
B Metallurgy
C Mercantilism
D Communism

1.1.5 The natural growth rate is….
A the rate at which a country grows economically.
B the rate at which the average human naturally grows.
C the difference between people who work in a country.
D the difference between the birth rate and the death rate in a country.

1.1.6 The ratio of live births in an area to the population of that area:
A Mortality rate
B Absorption rate
C Fertility rate
D Population growth rate

1.1.7 The use of tools and methods for producing something is called …
A nomadic.
B barter.
C technology.
D power.

1.1.8 Which ONE of the following is not an example of an important system in the evolution of economic systems?

A Feudalism
B Metallurgy
C Mercantilism
D Communism

1.1.9 People from other countries who settle in South Africa do it through a process called …

A immigration.
B emigration.
C net migration.
D census.

1.1.10 When a person's fixed place of residence is in a rural area, and he/she migrates for work purposes, it is called …

A immigration
B circuit migration
C .emigration.
D urbanisation.

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1 – 1.2.14) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Savings	A. A factor that hampered the economic development of South Africa in the early stages of development.
1.2.2 Poor inland transport	B. A process of exchanging goods and services for each other in the absence of money
1.2.3 Migration	C. The worldwide integration of markets and production
1.2.4 Barter Trade	D. When people move from place to place for food, water or pasture
1.2.5 Globalisation	E. Using money to buy goods and services
1.2.6 Nomadic	F. Is the difference between income and spending.
1.2.7 Mercantile law	G It governs commercial transactions
1.2.8 Economically active population	H The movement of people who cross boundaries to settle somewhere else.
1.2.9 Specialisation	I. Is when a business focusses on producing a limited range of goods and services in order to be more efficient
1.2.10 Urbanisation	J Was the political system of medieval Europe where nobles who held land allowed it to be used in exchange for particular service
1.2.11 Labour unions	K Produce only enough for own consumption

COLUMN A	COLUMN B
1.2.12 Self-sufficient society	L The process of people moving from the country-side to love in towns
1.2.13 Labour intensive	M Consists of people between the ages of 15 and 64 who are working or actively seeking a job
1.2.14 Feudalism	N Are bodies that represents may workers in negotiations with management, I an attempt to use collective bargaining to the advantage of the workers
	O The extension of a country's power and influence the world through political relations or military
	P It uses a lot of human labour

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. *No abbreviations, acronyms or examples will be accepted.*

1.3.1 A method of trading whereby a commodity is exchanged for another commodity of the same value.
1.3.2 The process whereby people move in and out of the country
1.3.3 The movement of people from rural areas to cities or towns
1.3.4 When people move from place to place for food, water or pasture
1.3.5 A stage or sector whereby the raw materials provided by primary industries are converted into products for consumers
1.3.6 Foreigners that enter a country on a permanent basis
1.3.7 The process of increased international co-operation and communication which has led to increases in trade and international transactions

SECTION B

QUESTION 2:

HINT: When the question requires you to "list" or "name", you need not write a sentence but merely few words or a phrase. This MUST be done in bullet form. This types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1

2.1 Name any TWO labour unions found in South Africa/ (2 x 1) (2)
2.2 Explain the changes brought by the evolution of markets. (2 x 1) (2)
2.3 How do modern governments spend their money? (1 x 1) (2)

QUESTION 3:

These types of questions are applicable for 2.1.2, 3.1.2 and 4.1.2. Answers must be provided in full sentences; learners must ensure that their answer addresses the question asked

3.1 How does an increase in income lead to the development of industries? (1 x 2) (2)
3.2 What is *immigration*? (1 x 2) (2)
3.3 How does economic growth lead to economic development? (1 x 2) (2)
3.4 Why were labour unions established during the industrial revolution? (2 x 1) (2)

DATA RESPONSE

HINT: All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document

QUESTION 4:

4.1 Study the extract below and answer the questions that follow.

Effects of Apartheid laws on Industrialisation.

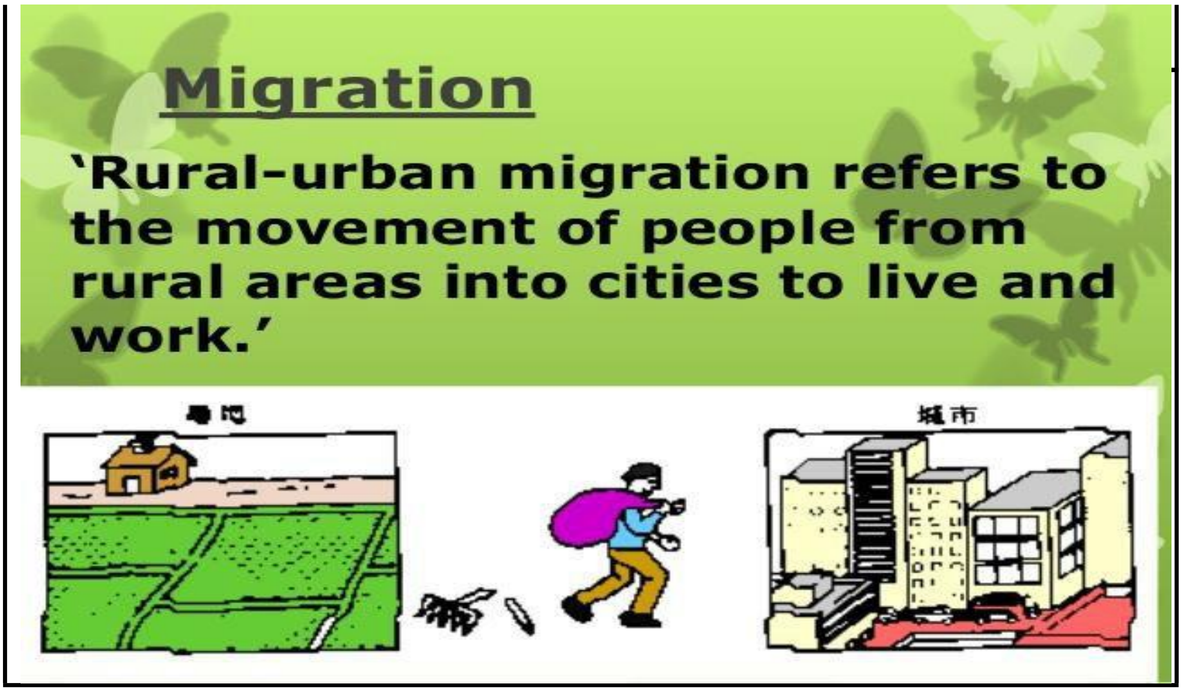
In South Africa the policy of apartheid forced many South Africans to live in homelands. People were not allowed to migrate to the cities and towns until the pass laws were repealed in the 1980s.

As a result, the rate of urbanisation in this country was stable for nearly 40 years. Once the apartheid era came to an end in 1994, many more people rushed to towns in the hope of finding employment. This has put huge pressure on the infrastructure of almost every South African urban centre.

[Source: www.econrsa.org]

4.1.1 Briefly explain the term *urban migration*. (1)
4.1.2 What could be a reason for this migration? (1)
4.1.3 Explain briefly how the policy of apartheid affected the rate of urbanisation in South Africa. (2)
4.1.4 Why is rapid urban migration a problem, particularly to the government? (2)
4.1.5 Describe the relationship between urbanisation and industrialization. (4)

4.2 **Study the Cartoon below and answer the questions that follow:**



4.2.1 What negative effect can migration have on the economy? (1)
4.2.2 Why do people migrate to urban areas? (1)
4.2.3 Briefly describe the concept *Net Migration*. (2)
4.2.4 How will the net migration influence the South African economy? (2)
4.2.5 Why is it important for the government to know the population growth rate in the country? (4)

4.3 Study the information below and answer the questions that follow:

> Nomadic communities consisted of nomadic societies. These societies were known as hunter-gatherers. They moved into an area, used all the available resources and when there was no longer enough food, they moved to another area.

4.3.1 Which stage of economic development is depicted in the above information (1)
4.3.2 Name ONE activity that was practiced by these groups of people? (1)
4.3.3 Briefly describe the concept *nomadic lifestyle*. (2)
4.3.4 What makes traditional societies self-sufficient? (2)
4.3.5 How were skills transferred during the traditional stage? (4)

4.4 Read the extract and answer the questions that follow

NIGERIA AS AN INDUSTRIAL COUNTRY

After independence in 1958, the government encouraged industries to produce those goods that were still being imported. Factories were established to make radios, cigarettes, beer, tyres, shoes, flour and many other products.

Today, Nigeria is the largest exporter of crude oil in tropical Africa and earns more than 90% of its revenue from exports.
Oil industries are costly, so the industry needed the help of foreign corporations.

[Source: *Focus Economics Grade 10*]

4.4.1 Identify the industry that creates the largest income in the country. (1)
4.4.2 According to the extract, which sector provides the most opportunities for employment? (1)
4.4.3 Briefly describe the term *urbanisation.* (2)
4.4.4 What is meant by the term unemployment? (2)
4.4.5 Why were labour unions established during the industrial revolution? (Any 2 x 2) (4)

4.5 Study the picture and answer the questions that follow

COMMERCIALISATION IN SOUTH AFRICA

South Africa's first diamond mines

[Source adapted from www.sahistory]

4.5.1 Under which economic sector is mining classified? (1)
4.5.2 Mention any economic activity that early societies were involved in. (1)
4.5.3 Briefly describe the term *commercialisation.* (2)
4.5.4 Explain the changes brought by the evolution of markets. (2)
4.5.5 How does GDP relate to economic growth? (4)

4.6` Study the table and answer the questions that follow

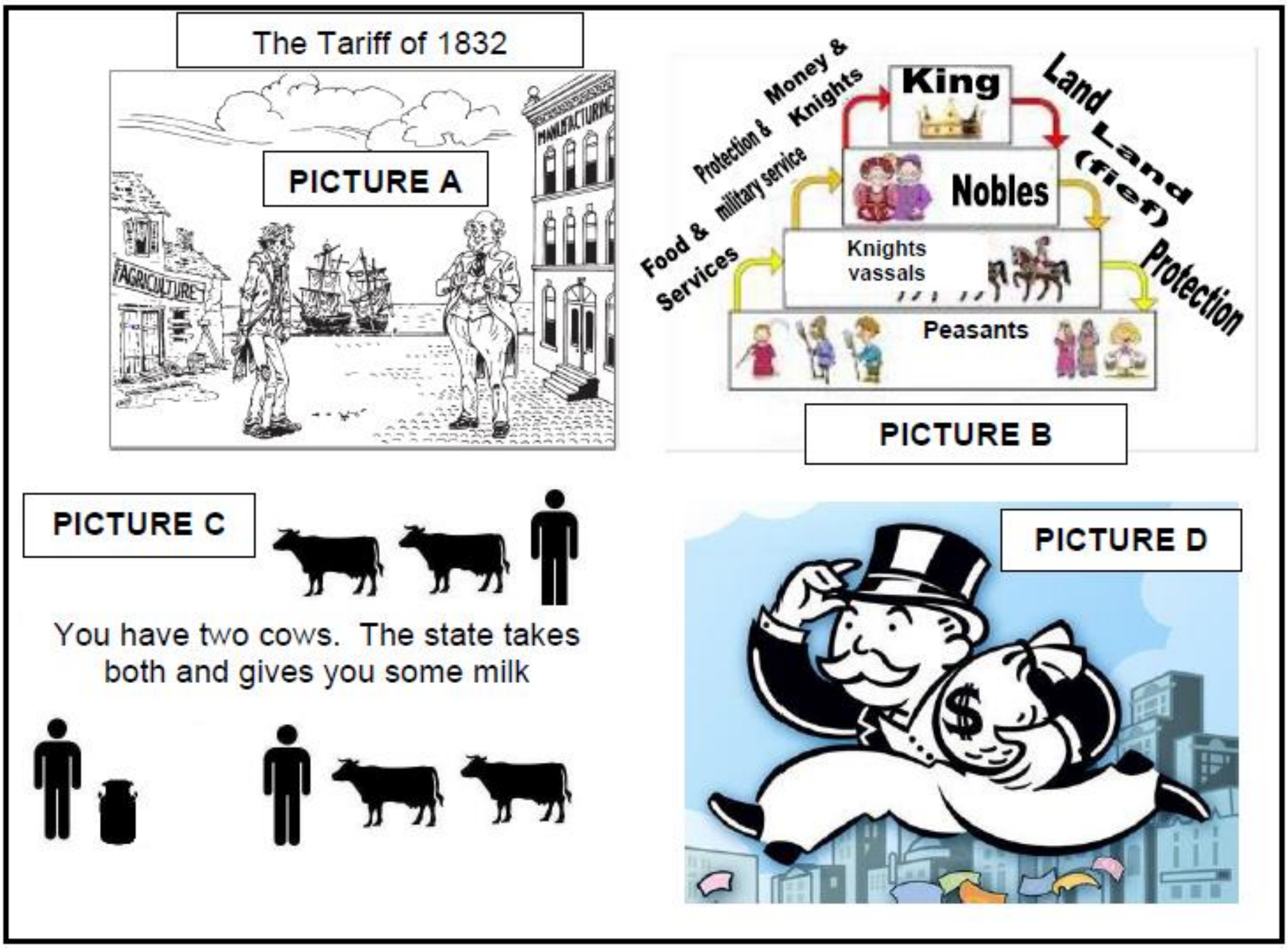
ESTIMATED POPULATION SIZE, 2010

Country	Population	Urbanisation level	Urbanised population	Annual rate of urbanisation
Algeria	34 586 184	92%	31 819 289	2,4%
Angola	13 068 161	57%	7 448 852	4.4%
Botswana	2 029 307	60%	1 217 584	2.5%
Ethiopia	88 013 491	17%	14 962 293	5.4%
Ghana	24 339 838	50%	12 169 919	3.5%
Lesotho	1 919 552	25%	479 888	3.5%
Uganda	33 398 682	13%	4 341 829	4.4%
Zimbabwe	11 651 858	37%	4 311 187	2.2%

[Source: *The world factbook (CIA) in Economics Focus, p.192*]

4.6.1 Which of the African countries in the table had the lowest level of urbanisation in 2010? (1)
4.6.2 Who is responsible for the publication of the above information? (1)
4.6.3 Briefly explain the term *urbanisation.* (2)
4.6.4 What is the relationship between poverty and migration? (2)
4.6.5 Why is urbanisation a problem, especially to government? (2 x 2) (4)

4.7 Study the picture and answer the questions that follow



4.7.1 Select one of the words to identify Pictures A – D. (4)
4.7.2 Who is known as the father of Communism? (1)
4.7.3 Briefly describe the term *Feudalism.* (2)
4.7.4 Why is Capitalism is often criticized? (2)
4.7.5 Analyse the fundamental human rights which South African citizens enjoy. (2 X 2) (4)

4.8 Read the following and answer the questions that follow

The first communities consisted of nomadic societies. These societies were known as hunter-gatherers. They moved into an area, used all the available resources and when there was no longer enough food, they moved to another area.

4.8 DATA RESPONSE

4.8.1 Which stage of economic development is depicted in the cartoon? (1)

4.8.2 Quote one activity that took place during this stage (1)

4.8.3 The agricultural nature of the economy is one of the characteristics of this stage. Briefly discuss two other characteristics of this stage. (4)

4.8.4 How does globalisation affect the South African economy? (4)

4.9 Read the extract and answer the questions that follow

Migrants and asylum seekers should be allowed to access Covid-19 grants

By Shannon Ebrahim Time, 31 May 2020

The reality is that South Africa is home to 4.2 million migrants from the region, and 300 000 refugees.

Most migrants operate in the informal sector and depend on that for their daily income. In the current situation most have no food as they have lost their sources of income. The government's Covid-19 aid programmes often overlook refugees and asylum seekers, and this is an issue which has been taken up with the South African Human Rights Commission.

[Adapted article from https://www.iol.co.za/news]

4.9.1 What economic problem is being experienced by the migrants? (1)

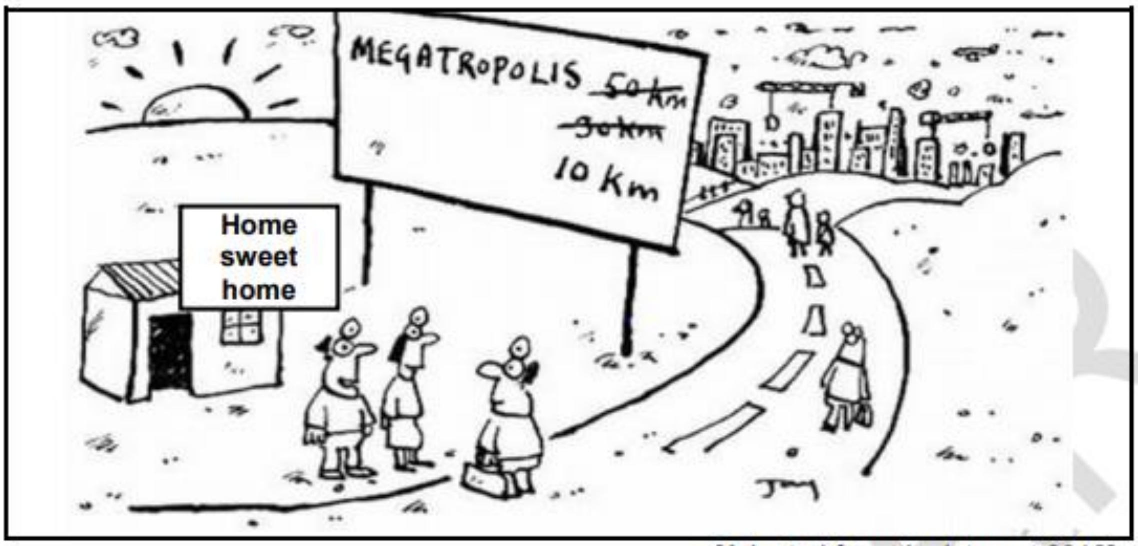
4.9.2 Provide one example of a government aid program. (1)

4.9.3 Briefly describe the term *migration.* (2)

4.9.4 Why do migrants mostly work in the informal sector? (2)

4.9.5 What can be done to assist the migrants who have lost their income? (2 x 2) (4)

4.10 Look at the picture and answer the questions that follow

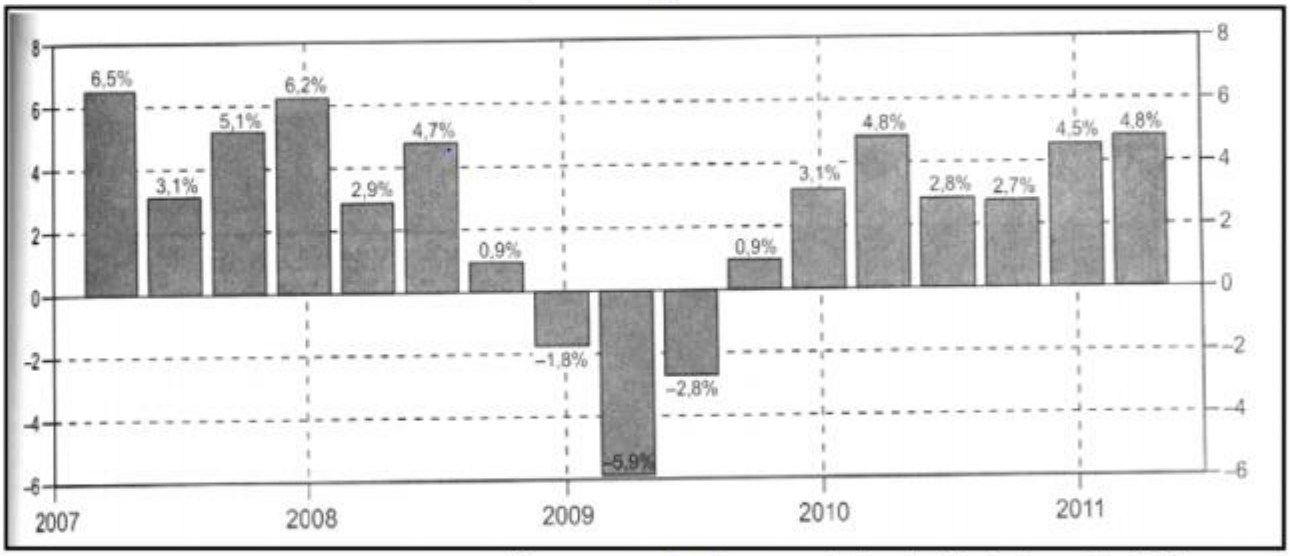


[Adapted from the internet 2018]

4.10.1 Which province of South Africa has the biggest population? (1)

4.10.2 Why do people move from rural areas to big cities like Johannesburg? (1)
4.10.3 Briefly describe the term *urbanisation.* (2)
4.10.4 Why is the growing rate of urbanisation a problem for local government? (2)
4.10.5 What measures may be used to slow down the rate of urbanisation? (2 x 2) (4)

4.11 Study the table and answer the questions that follow



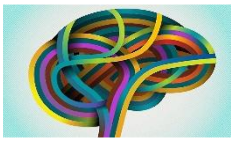
[Source: www.tradeeconomics/southafrica/gdpgrowth, 2012]

4.11.1 What does this graph depict? (1)
4.11.2When did South Africa Experience the highest growth? (1)
4.11.3 Briefly describe the term *economic growth.* (2)
4.11.4 Difference between economic growth and economic development (2)
4.11.5 Why might an increase in alcohol consumption lead to an increase in GDP, but decrease in the standard of living? (4)

HINT: All section B questions have TWO 8 marks questions, numbered according to questions not like in this document.

QUESTION 5 **Paragraph type questions – Middle Cognitive**

5.1.1 Describe the development of markets and trade in early societies. (8)
5.1.2 How did landlords use their wealth in ancient times? (8)
5.1.3 Discuss globalisation (8)
5.1.4 Briefly discuss the evolution of labour unions. (8)
5.1.5 Briefly discuss the evolution of international economic cooperation in Africa.(8
5.1.6 How does industrialisation lead to the development of transport and communication networks? (8)



TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

QUESTION 6

6.1 How do communication and transport contribute to economic development? (8)

6.2 How was surplus production, trade and transport development used in the evolution of markets. (8)

6.3 Why should South Africans save more (8)

6.4 What is the impact of immigration and refugees on the population of South Africa. (8)

6.5 Why should the nation be encouraged to save? (8)

6.6 How do stokvels contribute towards a better form of saving for members? (8)

6.7 What is the impact of immigration and refugees on the population of South Africa? (8)

6.8 Evaluate the impact of mechanization on the demand for labour in a country? (8)

ECONOMIC PURSUITS
SOUTH AFRICA'S POPULATION AND LABOUR FORCE
(WEEK 4- 6)

Both the demographic composition of the population and the relationship between each demographic factor and labour force participation can change over time.
Of all of the environmental challenges facing the planet today overpopulation is one that sometimes slips under the radar. Issues like pollution, climate change and water shortages all seem to take precedence, but overpopulation is one of the main contributors to many other environmental issues.
Overpopulation will place great demands on resources and land, leading to widespread environmental issues in addition to impacting global economies and standards of living.

- **The population size**
  - population growth
  - natural growth rate
  - projected growth rate
  - migration
- **South African labour force**
  - Age
  - Labour force numbers
  - Unemployment
  - Employment
  - Geographical distriibution

TERM	EXPLANATION
"Furloughed employees"	Temporarily absent workers due to COVID
Demographic cycle	The evolution over time of the population profile of a country/region or defined geographical area
Demographics	These are **factors** that are used to **define** the **characteristics** of a person or a population. Some commonly used **demographic factors** include **variables** such as race, age, income, marital status, and educational achievement, among others.
Economically active population.	Consists of those employed and those not employed
Employment	An agreement between the individual and another entity that stipulates the responsibilities, payments, terms and arrange rules of the workplace and is recognized by government
Labour absorption rate	The proportion of the working age population aged 15-65 years that is employed
Labour force participation rate.	The formula for the number is the sum of all workers who are employed or actively seeking employment divided by the total civilian working age population
Migration	Moving from one country/ place to another
Overpopulation	An increase in population due to increase in immigration
Population Growth	Refers to the birth rate/fertility, death rates/mortality and the in and out flow of people into the country / Population growth is the increase in the number of people in a population.
Projected growth rates	Population projections are simply mathematical formulas that use current populations and rates of growth to estimate future populations.
Unemployment	This is when a person is between jobs, or is looking for a job for the first time.
Urbanisation	Process through which cities grow ang higher and higher percentages of the population comes to live in the city

Useful Tips **:** When answering Section A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

SECTION A **30 marks**

Question 1

1.1. SHORT QUESTIONS

Various options are provided as answers to the following questions. Write only the correct letter (A – D) next to the question number (1.1.1 – 1.1.11).

1.1.1 The group that finds it hardest to find a job is … in the ... areas.
- A. young men; rural
- B. young women; urban
- C. old men; urban
- D. old women; urban

1.1.2 A successful land claim has given a community a new lease of life." This headline refers to the government's efforts in redressing … programme in the …sector.
- A. Land redistribution; secondary
- B. Agriculture development; tertiary
- C. Natural resource redistribution; primary
- D. Land redistribution; primary

1.1.3 A distinctive feature of South Africa's population is. that ...
- A. it is composed mainly of people aged 50-65.
- B. 71% or more is aged under 35 years of age.
- C. the WEF ranks us 10^{th} in terms of competitiveness.
- D. there is a large base of unskilled workers which is an advantage.

1.1.4 The existence of micro-lenders can … the economy.
- A. help stimulate
- B. cause a decline in
- C. cause the repo rate to increase
- D. help consumers in

1.1.5 South Africa has a shortage of ... labour.
- A. unskilled
- B. skilled
- C. permanent
- D. temporary

1.1.6 The … do not form part of the EAP.
- A. unemployed
- B. employed
- C. retired
- D. school leaners

1.1.7 High birth rates are characteristics of the ... stage in the demographic cycle.
- A. first
- B. second
- C. third
- D. fourth

1.1.8 WEF stands for
A. World Economic Forum
B. World Economic Front
C. World Economy Forum
D. Warm Economic Front

1.1.9 South Africa's population has increased substantially over the past 50 year; this was caused by …
A. natural growth rate
B. rapid growth rate
C. population size
D. migration

1.1.10 … is a negative effects of overpopulation
A. Transportation
B. Habitat loss
C. Labour force
D. Supply of labour

1.1.11 Temporarily absent workers due to COVID 19 are called …
A Unemployed employees
B." Furloughed" employees
C General employees
D Migrant employees (11x1) =22)

1.2. MATCHING ITEMS

Choose a description from COLUMN B that matches an item in COLUMN A. Write only the letter (A – G) next to the question number (1.2.1 – 1.2.4), for example 1.2.7 H.

Column A	Column B
1.2.1 Labour force participation rate.	A Includes employed and unemployed people.
1.2.2 Economically active population.	B Those who want to work, but have given up looking for work
1.2.3 Labour absorption rate.	C The state of having paid work.
1.2.4 Discouraged work seekers.	D Actively looking for work.
	E The total number of people employed or seeking employment in a country.
	F The percentage of the working age population who are employed.

(6X1 = 6)

HINT: Learners must know their concepts well, as this will assist in a better understanding of the content in general. Leaners are encouraged to revise with these type of questions, that are found in Section A of the paper

1.3 TERMINOLOGY

Give the correct term for each of the following descriptions. Write only the term next to the question number (1.3.1 – 1.3 6).

1.3.1. The ratio of live births in an area to the population of that area.
1.3.2. The official counting of the population on a regular basis.
1.3.3. Citizens leaving the country to become a citizen of another country.
1.3.4. People moving from rural to the urban areas of a country.
1.3.5. Death rate is also known as.
1.3.6. People who are able to work are called this. (6X1 = 6)

SHORT QUESTIONS:

1.4. In the economy we have formal and informal sectors. Give two job types under each sector. (2X2 = 4)
1.5 Write out the following abbreviations out in full:
1.5.1 EAP
1.5.2 HIV
1.5.3 Aids
1.5.4 QLFS
1.5.5 LFPR
1.5.6 IKS (6X1 = 6)
1.6 How is the Unemployment rate calculated? (2)

All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document.

SECTION B

Question 2

2.1.1. Calculate the natural growth in our population based on the information below. Show your calculations. (11)

Year	Reported birth	Reported deaths	Natural increase
1997	949341	317131	
1998	933526	365852	
1999	949281	381820	
2000	960493	415983	
2001	944345	454847	
2002	953680	502031	
2003	944546	556769	
2004	994537	576700	
2005	1027650	598054	
2006	1046130	612462	
2007	1015370	601033	

2.1.2. Draw a conclusion about any tendency, in question 2.1 that can be observed from the natural increase in the population over the period 1997 to 2007. (2)
2.1.3. Draw and fully label the four stages of Demographic cycles. (4X4 = 16)
2.2. Study the statement below, answer the questions which follow.

Since 1994, urbanisation was rapid. Large-scale migration put high pressure on municipalities to delivery services, as an increase number of people needed housing, water, electricity, schooling and transport.

2.2.1. What occurred in 1994 that lead to the increased migration. (1)
2.2.2 What is the migration from rural to urban centres called? (1)
2.2.3 Briefly describe the term *migration.* (2)
2.2.4 Discuss in detail service delivery in Urban areas in the year 1994 compared to 2020. (8)

2.3 Study the table below and answer questions that follow.

Workers by sector	**2016**		**2017**	**2018**
Sector	(000)	%	(000)	(000)
Formal	8394	65,8	9449	8974
Informal	2379	18,7	2150	2009
Agriculture	1088	8,5	738	650
Domestic workers	886	7,0	1299	1169

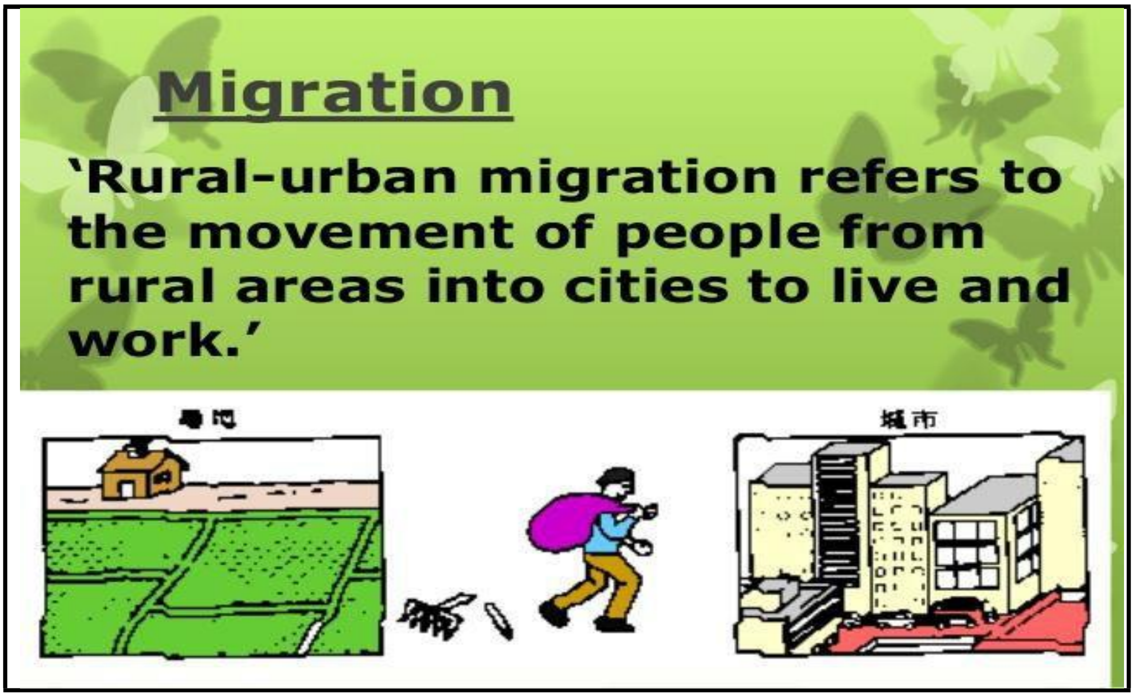
2.3.1 Which sector employs the most workers according to the information above? (1)
2.3.2 Provide one example of an informal activity in your community. (1)
2.3.3 What is the percentage of workers in South Africa was employed in the formal sector 2018? (2)
2.3.4 Why is there a downward trend in the Agricultural sector? (2)
2.3.5 Employment in the informal sector is also declining. Do you think this is a true reflection of what is happening in reality? (4)

2.4. Study the diagram below and answer the questions which follow.

2.4.1 Identify the source of the above information . (1)

2.4.2 By how much did the employment numbers increase by in Q4? (1)
2.4.3 Briefly describe the term *employment.* (2)
2.4.4 Discuss in detail what government has done to improve employment in South Africa. (8)

2.5 **Study the Cartoon below and answer the questions that follow:**



2.5.1 What negative effect can migration have on the economy? (1)
2.5.2 Why do people migrate to urban areas? (1)
2.5.3 Briefly describe the concept *Urban Migration* (2)
2.5.4 How will the net migration influence the South African economy? (2)
2.5.5 Why is it important for the government to know the population growth rate in the country? (4)

2.6 Study the tabled information and answer the questions:

PROVINCE	2002	2005	2008
KwaZulu Natal	11.7	16.5	15.8
Mpumalanga	14.1	15.2	15.4
Free State	14.9	12.6	12.6
North West	10.3	10.9	11.3
Gauteng	14.7	10.8	10.3
East Cape	6.6	8.9	9.0
Limpopo	9.8	8.0	8.8
Northern Cape	8.4	5.4	5.9
Western Cape	10.7	1.9	3.8
NATIONAL	**11.4**	**10.8**	**10.9**

2.6.1 Name the province that had the highest HIV prevalence in 2002. (1)

2.6.2 Name the province with the highest HIV prevalence in 2002. (1)

2.6.3 Name the province with the biggest increase of HIV prevalence from 2002 to 2008. (2)

2.6.4 Identify which province was the most successful in the prevention of HIV/Aids. Explain your answer. (2)

2.6.5 Discuss any TWO measures which can possibly be taken to improve the situation in the province named in 6.4. (4)

PARAGRAPH TYPE QUESTIONS

Question 3

3.1. Discuss *immigration* and *foreigners in term of SA population size.* (2X4) (8)

3.2. There are four types of foreigners entering South Africa. Name and define each one (4x2)

3.3 Discuss *age composition* and *geographic* distribution in terms of SAs labour force (8)

3.4 Discuss the reasons why unemployment has increased in South African in the last few years. (8)

TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

3.5 What are the effects on wages when population increase due to immigration? (4X2 = 8)

SECTION C
Essay questions

HINT: All section C questions have TWO questions 5 & 6 NOT like in this document. In the examination you will need to answer only one.

ESSAY STRUCTURE

HINT: Section C – the long question, must be answered in FOUR sections: Introduction (definition), Body (headings and full sentences in bullets) additional part and conclusion (summarising). The mark allocations for Section C is as follows:

STRUCTURE OF ESSAY:	MARK ALLOCATION:
Introduction The introduction is a lower-order response. • A good starting point would be to the main concept related to the question topic • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body • Avoid saying in the introduction what you are going to discuss in the body	Max 2
Body: **Main part:** Discuss in detail/ In-depth discussion/ Examine/ Critically discuss/ Analyse / Compare/ Distinguish/ Differentiate/ Explain/ Evaluate **Additional part:** Critically discuss/ Evaluate/ Critically evaluate/ Draw a graph and explain/ Use the graph given and explain/ Complete the given graph/ Calculate/ Deduce/ Compare/ Explain Distinguish / Interpret/ Briefly debate/ How/ Suggest / Construct a graph	Max 26 Max 10
Conclusion Any Higher or conclusion include: • A brief summary of what has been discussed without repeating facts already mentioned in the body • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required • Recommendations	Max 2
TOTAL	**40**

Question 4

- Discuss the factors impacting on population growth in South Africa under the following headings:
  - Immigration and emigration (13)

- Discuss natural growth with regard to the difference between birth and death rates of a population. (10)

Question 5

- Discuss the population composite of South African labour force under the following headings:
  - Age composition (6)
  - Employment and unemployment (10)
  - Geographical composition (10) (26)
- How is immigration and emigration affecting the South African population? (10)

CONTEMPORARY ECONOMIC ISSUES
TOPIC 1: UNEMPLOYMENT
(WEEK 7 –9)

KEY CONCEPTS

TERM / CONCEPT	DESCRIPTION / DEFINITION
Affirmative action	The policy that tries to reduce discrimination by ensuring equal opportunity in employment
Cyclical unemployment	Unemployment resulting from a downturn in the economy
Economically marginalised	These are groups who find it difficult or impossible to participate in economic decisions and activities, such as disabled people, refugees, indigenous people, etc..
Frictional unemployment	occurs when a person is between jobs, or is looking for a job for the first time
Public works programme	uses labour-intensive methods to improve roads, pipelines, water supply and sanitation, and to build houses, schools, and clinics
Structural unemployment	occurs when the nature of the economy changes and the skills of the labour force do not match the technology used in the workplace
Underemployment	refers to when people work fewer hours or days than are willing and able to work
Unemployment	This is where members of the labour force are without work, are available or suitable for work and are seeking work, but are unable to find employment
Unemployment Insurance Fund	This is an insurance scheme that provides temporary income for people who have lost their jobs

SECTION A: TYPICAL EXAM QUESTIONS

QUESTION 1: **Section A – Short Questions**

HINT: When answering Section A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

1.2 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

1.1.1 An economically active population is made up of … people between the ages of 15 and 64.
A employed
B unemployed
C employed and unemployed
D hired

1.1.2 In South Africa, unemployment is the major cause of …
A increased GDP
B racism
C poverty
D better standard of living

1.1.3 The overall inability of an economy to provide employment for its total labour force, leads to … unemployment.
A seasonal
B frictional
C structural
D cyclical

1.1.4 South Africa currently has an oversupply of … labour.
A unskilled
B semi-skilled
C skilled
D seasonal

1.1.5 Frictional unemployment occurs when …
A harvesting ends
B people move between jobs
C the structure of the economy changes
D unemployment is long lasting (5 x 2) (10)

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1 – 1.2.10) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Affirmative action	A refers to when people work fewer hours or days than are willing and able to work.
1.2.2 Unemployment Insurance Fund	B the number of unemployed people divided the number of people actively participating in the labour force.
1.2.3 Cyclical unemployment	C a policy that tries to reduce discrimination by ensuring equal opportunity in employment.
1.2.4 Unemployment	D occurs when a person is between jobs, or is looking for a job for the first time.
1.2.5 Public works programme	E is an insurance scheme that provides temporary income for people who have lost their jobs.

COLUMN A	COLUMN B
1.2.6 Unemployment rate	F a situation in which members of the labour force are without work, are available or suitable for work and are seeking work, but are unable to find employment.
1.2.7 Frictional unemployment	G uses labour-intensive methods to improve roads, pipelines, water supply and sanitation, and to build houses, schools, and clinics.
1.2.8 Underemployment	H is the result of cyclical changes or fluctuations in the economy.
1.2.9 Statistics South Africa	I occurs when the nature of the economy changes and the skills of the labour force do not match the technology used in the workplace.
1.2.10 Non-evident underemployment	J Provides unemployment figures according to the narrow and broad definition of unemployment.
	k. When people will accept any kind of work just to be employed

(10 x 1) (10)

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. No *abbreviations, acronyms or examples* will be accepted.

1.3.1 People who are employed, but their work requires fewer than the normal hours of work.
1.3.2 A forced lay-off of employees by a firm, usually to cut down its payroll.
1.3.3 It occurs when a person is unemployed or is looking for a job for the first time.
1.3.4 A situation in which members of the labour force are without work, are available or suitable for work and are seeking work but are unable to find employment.
1.3.5 Groups who find it difficult or impossible to participate in economic decisions and activities.
1.3.6 A person who is not employed and has lost hope of finding any kind of work.
1.3.7 An increase in a country's productive capacity in a year compared to a previous year.
1.3.8 The sector of the economy in which activities or jobs are performed for money outside of the formal sector. (8 x 1) (8)

SECTION B

QUESTION 2:

Useful Tips	When the question requires you to "list" or "name", you need not write a sentence but merely one or two words. This MUST be done in bullet form. This types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1

2.1 Name any TWO types of unemployment (2 x 1) (2)
2.2 List any TWO causes of unemployment. (2 x 1) (2)
2.3 Name any TWO approaches to solve unemployment. (2 x 1) (2)
2.4 List any TWO objectives of the Public works programmes. (2 x 1) (2)
2.5 List any TWO factors which contributed to groups of people being marginalised. (2 x 1) (2)

QUESTION 3:

These types of questions are applicable for 2.1.2, 3.1.2 and 4.1.2. Answers must be provided in full sentences; learners must ensure that their answer addresses the question asked

3.1 What is meant by an economically active population? (1 x 2) (2)
3.2 How do public works programmes help in reducing the rate of unemployment in the country? (1 x 2) (2)
3.3 How do SMMEs contribute to creation of jobs? (1 x 2) (2)
3.4 How can the government solve unemployment through fiscal policy?(1 x 2) (2)
3.5 What is the relationship between technology and unemployment? (1 x 2) (2)

DATA RESPONSE

All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document.

QUESTION 4:

4.1 Study the cartoon below and answer the questions that follow

[Source: https://www.cartoonstock.co>directory]

4.1.1 Name ONE factor which causes unemployment. (1)
4.1.2 Which institution provides statistical information for unemployment in South Africa? (1)
4.1.3 Briefly explain the term *unemployment*. (2)
4.1.4 Why should the government be concerned with the high unemployment rate in our country? (2)
4.1.5 How can the government intervene to ensure participation of the marginalized groups in the economy of the country? (2x2) (4)

[10]

4.2 Study the extract below and answer the questions that follow:

South Africa is in the grip of an unemployment crisis

The official unemployment rate has increased to 29% in 2Q 2019 (a QOQ rise of 1.4% from 27.6% in 1Q 2019).

This represents the highest unemployment rate since 2003. The expanded unemployment rate, which includes those who have given up looking for work, now sits at 38.5% or 10.2 million people (the highest number ever in absolute terms) …

[Source: Adapted from https://www.fin24.com/Opinion/sas-unemployment]

4.2.1 State the formula to calculate unemployment. (1)
4.2.2 Which institution releases the unemployment rate? (1)
4.2.3 How did COVID19 affect employment in SA? (2)
4.2.4 Why is unemployment a problem in South Africa? (2)
4.2.5 How can a long-term unemployment rate affect the economy? (2x2) (4)

[10]

4.3 Study the extract below and answer the questions that follow:

EXPANDED PUBLIC WORKS PROGRAMME (EPWP)

The EPWP aims to create opportunities for the poor and vulnerable through labour-intensive programmes by the government. They focus on the creation of infrastructure and physical services, such as the clearing of plants.

Agreements with clear targets for each province and municipality, clarifying their contributions towards the creation of the four million work opportunities, were signed with all premiers and mayors.

[Adapted from: SA Yearbook, 2009/10]

4.3.1 Who is responsible for implementing the Public Works Programme? (1)

4.3.2 Name ONE type of unemployment. (1)

4.3.3 Briefly describe the term *infrastructure*. (2)

4.3.4 What is meant by *Public Works Programme*? (2)

4.3.5 How does the Public Works Programme achieve poverty relief? (4)

[10]

4.4 Study the extract below and answer the questions that follow.

MARGINALISED GROUPS: RIGHT TO EDUCATION

The right to education is universal and does not allow for any form of exclusion or discrimination. However, all countries face challenges guaranteeing equal opportunities for all in accessing education and within education systems. Marginalised groups are often left behind by national educational policies, denying many people their right to education.

Non-discrimination and equality are key human rights that apply to the right to education. States have the obligation to implement these principles at national level. National laws can prohibit discrimination and create an environment enabling greater equity. Furthermore, affirmative action and promotional measures are often necessary in order to eliminate existing inequalities and disparities in education.

[Source: Right to Education Initiative ©2018]

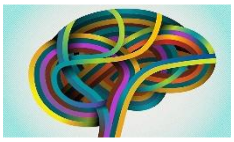
4.4.1 Name ONE example of marginalised groups. (1)
4.4.2 Which redress policies/programmes are used by the South African government to assist the marginalised groups? (1)
4.4.3 Briefly describe the term *economically marginalised groups*. (2)
4.4.4 Why do economically marginalised groups exist? (2)
4.4.5 How can the government reduce the vulnerability of economically marginalised groups, using supply side policies? (2 x 2) (4

[10]

All section B questions have TWO 8 marks questions. One is a M**iddle order** paragraph, the other is a **Higher order** paragraph

QUESTION 5 **Paragraph type questions – Middle Cognitive**

5.1 Distinguish between seasonal unemployment and structural unemployment. (8)
5.2 Differentiate between frictional unemployment and seasonal unemployment. (8)
5.3 Distinguish between cyclical unemployment and classical unemployment. (8)
5.4 Discuss the economic costs of unemployment. (8)
5.5 Discuss the social costs of unemployment. (8)
5.6 Discuss public works programmes and unemployment insurance as methods to combat unemployment. (8)



TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THIN-IKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

QUESTION 6 **Paragraph type questions – Higher cognitive**

6.1 What is the impact of unemployment on individuals? (8)
6.2 Analyse RSA's strategies to redress the issue of unemployment. (8)
6.3 Argue in favour and against public works programmes as one of the approaches to solve unemployment (8)
6.4 How can the government solve unemployment through monetary policy? (8)
6.5 How can the supply-side approach stimulate job creation? (8)
6.6 Propose ways which can be used to solve economic marginalisation. (8)
6.7 Why are certain groups of people economically marginalised in South Africa? (8)

SECTION C

TYPICAL EXAM QUESTIONS

ESSAY STRUCTURE

: All section C questions have TWO questions 5 & 6 NOT like in this document. In the examination you will need to answer only one.

HINT: Section C – the long question, must be answered in FOUR sections: Introduction (definition), Body (headings and full sentences in bullets) additional part and conclusion (summarising). The mark allocations for Section C is as follows:

STRUCTURE OF ESSAY:	MARK ALLOCATION:
Introduction **The introduction is a lower-order response.** • **A good starting point would be to the main concept related to the question topic** • **Do not include any part of the question in your introduction.** • **Do not repeat any part of the introduction in the body** • **Avoid saying in the introduction what you are going to discuss in the body**	**Max 2**
Body: **Main part: Discuss in detail/ In-depth discussion/ Examine/ Critically discuss/ Analyse / Compare/ Distinguish/ Differentiate/ Explain/ Evaluate** **Additional part: Critically discuss/ Evaluate/ Critically evaluate/ Calculate/ Deduce/ Compare/ Explain Distinguish / Interpret/ Briefly debate/ How/ Suggest/ Construct a graph**	**Max 26** **Max 10**
Conclusion **Any Higher or conclusion include:** • **A brief summary of what has been discussed without repeating facts already mentioned in the body** • **Any opinion or value judgement on the facts discussed** • **Additional support information to strengthen the discussion/analysis** • **A contradictory viewpoint with motivation, if required** • **Recommendations**	**Max 2**
TOTAL	**40**

QUESTION 7

- Discuss in detail the impact of unemployment on the economy and individuals. (26)
- How can the government solve unemployment through a sound monetary and fiscal policy? (10)**[40]**

CONTEMPORARY ECONOMIC ISSUES
TOPIC 2: LABOUR RELATIONS
(WEEK 1-3)

- LABOUR RELATIONS
- Labour Market in SA
- Objective of LRA
- Labour rights and Conventions
- The collective bargaining/ dispute resolution process
- Labour Courts

KEY CONCEPTS

TERM/ CONCEPT	DESCRIPTION / DEFINITION
Arbitration	The hearing and determination of a dispute by an impartial referee
Bargaining council	Councils that are set up within the organisation which will deal with various disputes
Basic Conditions of Em-ploy-ment Act No 75 of 1997	A law that determines the minimum terms and condi-tions of employment
Capital intensive Produc-tion	Machines or robots are used to produce goods and services
Compensation for Occupa-tional Injuries and Dis-eases Act No 130 of 1993	Provide compensation for disablement caused by work-related injuries or diseases, or for death resulting from such injuries or diseases
Conciliation	Bringing parties together and getting them to agree on a certain course of action
Consultation	Employees have the opportunity to contribute to and be consulted about issues in the workplace
Convention	Creates rules and guidelines that member countries (of the ILO) must follow
Labour Court	A high court that adjudicate matters relating to labour disputes between employees and employers
Labour force participation rate (LFPR)	A formula used to express the percentage of the popu-lation that is presenting itself for word and that is earn-ing a wage

TERM/ CONCEPT	DESCRIPTION / DEFINITION
Labour intensive Production	Labour is used to produce goods and services
Labour Relations Act No 66 of 1995	Protects the rights of the individual and promotes collective bargaining and consultation within the workplace
Labour union	An organisation that protects and fights for the rights of Employees
Law of Demand for wages	The demand for labour increases when the wage levels decrease and decreases when the wage levels decreases
Law of Supply for wages	The supply of labour will increase when the wage levels increase and will decrease when the wage levels decrease
Majorification	At the age of 18 a person is able to act freely and independently
Mechanisation	When human labour is replaced with machinery
Mediation	Negotiation to resolve differences that is conducted by an impartial party
Migration of labour	People who have studied and qualified in South-Africa and who then move overseas to work there.
Recommendations	A document drawn up by the ILO to provide guidelines for the member country's government
Salaries	Monthly remuneration paid for labour
Self-government	The legal duty of an employee to obey all the lawful and reasonable instructions from the employer
The Commission for Conciliation, Mediation and Arbitration (CCMA)	An organisation that was established to help solve disputes that cannot be settled within a business or organisation
Wages	Daily or weekly remuneration paid for labour
Workplace forum	Provide an opportunity for all the employees in a workplace to be involved in managerial decisions that may affect them

SECTION A: TYPICAL EXAM QUESTIONS

LABOUR RELATIONS

QUESTION 1: **Section A – Short Questions**

HINT: When answering Section A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will **NEVER** be two options. Only **ONE** option is correct. Your answer will immediately be marked incorrect if you write TWO options.

1.1 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

1.1.1 Formal meetings between union representatives and the employers.
A Collective bargaining
B Bargaining council
C Workplace forums
D CCMA

1.1.2 A law that protects the rights of the individual and promotes collective bargaining and consultation within the workplace.
A Basic Conditions of Employment Act
B Labour Relations Act
C Compensation for Occupational Injuries and Diseases Act
D Skills Development Act

1.1.3 At the age of 18 a person is able to act freely and independently.
A under aged
B minorification
C majorification
D over aged

1.1.4 An organisation that protects and fights for the rights of employees.
A labour union
B workplace forum
C bargaining council
D employer’s organisation

1.1.5 Negotiation to resolve differences that is conducted by an impartial party.
A Conciliation
B Mediation
C Bargaining
D Arbitration

1.1.6 Bringing parties together and getting them to agree on a certain course of action.
A Bargaining
B Arbitration
C Mediation
D Conciliation

1.1.7 A law that determines the minimum terms and conditions of employment.
A Basic Conditions of Employment Act
B Labour Relations Act
C Compensation for Occupational Injuries and Diseases Act
D Skills Development Act

1.1.8 The law of supply of labour states that …
- A as the wage levels increases, the labour supplied decreases
- B as the wage levels increases, the labour supplied increases
- C as the wage levels increases, the labour supplied remain the same
- D as the wage levels decreases, the labour supplied increases

(8 x 2) (16)

1.2 Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1 – 1.2.8) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Labour court 1.2.2 Capital intensive production 1.2.3 labour force participation rate 1.2.4 Labour Relations Act 66 of 1995 1.2.5 mediation 1.2.6 Basic Conditions of Employment Act 75 of 1997 1.2.7 Majorification 1.2.8 Cost of labour	A formula used to express the percentage of the population that is presenting itself for work. B Determines the minimum terms and conditions of employment. C protects the rights of the individual and promotes collective bargaining and consultation within the workplace. D machines or robots are used to produce goods and services. E Salaries and wages that labour demands. F handling of labour disputes like unfair dismissal. G negotiation to resolve differences that is conducted by an impartial party. H labour is used to produce goods and services. I a person can act freely and independently when reaching the age of 18.

(8 x 1) (8)

HINT: Learners must know their concepts well, as this will assist in a better understanding of the content in general. Leaners are encouraged to revise with these type of questions, that are found in Section A of the paper

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. *No abbreviations will be accepted.*

1.3.1 An association to help workers negotiate with employers over wages, hours, benefits, and other working conditions.
1.3.2 Labour is used to produce goods and services.
1.3.3 Negotiation to resolve differences that is conducted by an impartial party.
1.3.4 An organisation that was established to help solve disputes that cannot be settled within a business or organisation.
1.3.5 The hearing and determination of a dispute by an impartial person.
1.3.6 People between the ages of 15 and 65 that are willing and able to work.

(6 x 1) (6)

SECTION B
QUESTION 2:

HINT: When the question requires you to “list” or “name”, you need not write a sentence but merely one or two words. This MUST be done in bullet form. This types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1

2.1 Name any TWO labour laws in South-Africa. (2 x 1) (2)
2.2 Name any TWO labour unions in South Africa. (2 x 1) (2)
2.3 List any TWO dispute resolution methods. (2 x 1) (2)
2.4 Name any TWO dispute resolution methods used by the CCMA. (2 x 1) (2)
2.5 List any TWO conventions of the International Labour Organisation. (2 x 1) (2)
2.6 List any TWO recommendations of the International Labour Organisation (2 x 1) (2)

QUESTION 3:

These types of questions are applicable for 2.1.2, 3.1.2 and 4.1.2. Answers must be provided in full sentences; learners must ensure that their answer addresses the question asked

3.1 Describe the term workplace forum. (1 x 2) (2)
3.2 Briefly describe the reason for the CCMA. (1 x 2) (2)
3.3 Briefly describe the function of Labour Conventions (1 x 2) (2)
3.4 Explain the main function of the International Labour Organisation (1 x 2) (2)
3.5 Briefly explain the law of demand for labour (1 x 2) (2)
3.6 Briefly explain the concept of arbitration. (1 x 2) (2)

DATA RESPONSE

All section B questions have TWO data interpretation questions – each total 10 marks. Section B consist of Questions 2-4 not as numbered in this document.

QUESTION 4:

4.1 Study the article below and answer the questions that follow:

Trade union concerns delay Cell C CCMA process

DURBAN – "The section 189 consultation process at Cell C facilitated by the CCMA (Commission for Conciliation, Mediation and Arbitration) was delayed on Friday due to complaints raised by organised labour," the company said.

Cell C, South Africa's third-biggest telecoms company, initiated a section 189 consultation process with the Information Communication Technology Union (ICTU), the majority union at its operations, over its proposed plan to cut 40 percent of its workforce.

"Cell C is of the view that the ICTU is using delay tactics in this process," the company said.

[*https://www.iol.co.za/business-report/companies/trade-union -cocerns- delay-cell-c-ccma-process-50485416*]

4.1.1 How many workers will lose their jobs according to the article? (1)

4.1.2 Give one example of a trade union mentioned in the article. (1)

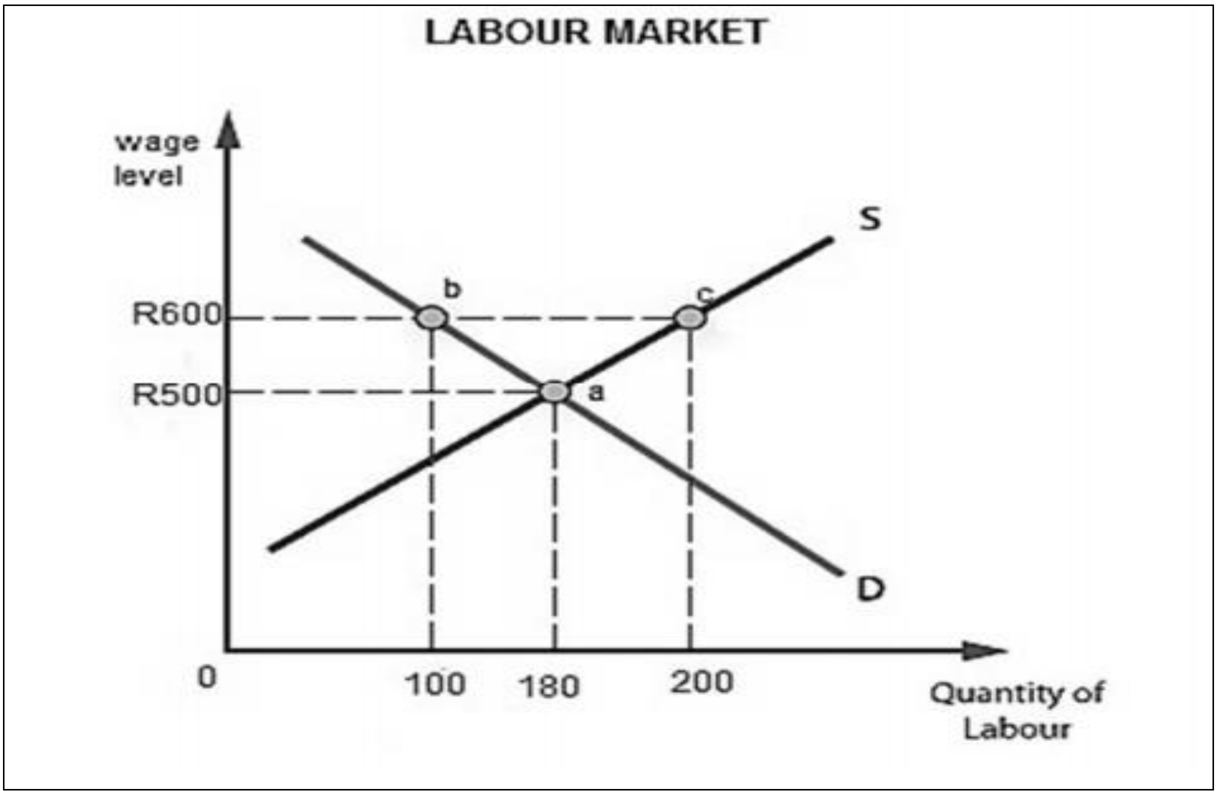
4.1.3 What is the importance of the Basic Conditions of Employment Act (2)

4.1.4 Mention one possible reason for the proposed job cuts by Cell C. (2)

4.1.5 Why is it beneficial for an employee to join a trade union? (4)

[10]

4.2 Study the graph below and answer the questions that follow.



4.2.1 Identify the equilibrium wage rate (1)

4.2.2 From the graph, what would the labour surplus be (1)

4.2.3 Briefly describe the term *labour union* (2)

4.2.4 What would be the impact on the market if the size of the population increases? (2)

4.2.5 How is arbitration used to solve labour disputes? (4)

[10]

4.3 Study the information below and answer the questions that follow.

BARGAINING COUNCIL

Former Federation of Unions of South Africa (Fedusa) General Secretary Denis George's, dismissal is now in the hands of the CCMA. The federation dismissed George over allegations of corruption involving his purchase of shares in controversial company Ayo technologies. The company has been accused of irregularities which have been laid bare at the Public Corporation inquiry. In the document, George says his dismissal was procedurally unfair because the presiding officer who investigated the allegations against him and found him guilty, was hired through the same attorneys who conducted the probe.

[Adapted from *Eyewitness News*, June 2019]

4.3.1 What does CCMA for? (1)
4.3.2 Why according to the extract was George's dismissal considered unfair? (1)
4.3.3 Briefly describe the term *bargaining council* (2)
4.3.4 Why does the Labour Appeal Court have greater powers than the Labour Court? (2)
4.3.5 What would the results of an unsuccessful mediation process be? (4)
[10]

4.4 Study the following information and answer the questions that follow

Strike over labour dispute grounds flights at Kenya's main airport

INTERNATIONAL - A strike over a labour dispute disrupted flights at Kenya's main international airport in Nairobi early on Wednesday, Kenya Airports Authority said, though the transport minister expected them to resume soon. Hundreds of passengers were waiting outside the international and domestic terminals and riot police dispersed picketing ground staff, a Reuters witness said, adding that three planes took off at about 05:30 GMT despite the strike.
Transport Minister James Macharia said replacement staff had been found to screen passengers and luggage.
The strike at Jomo Kenyatta International Airport follows a labour dispute over contracts and job security between the Kenya Aviation Workers Union (KAWU) and Kenya Airways.

[Source: https://www.iol.co.za/business-report]

4.4.1 Identify the city affected by the strike in the extract above. (1)
4.4.2 What is the cause of the dispute in the extract above? (1)
4.4.3 Briefly explain the term *trade union.* (2)
4.4.4 What is the importance of the basic conditions of employment act to workers? (2)
4.4.5 How can unemployment affect the economy? (4)
[10]

4.5 Study the extract below and answer the questions that follow.

LABOUR DISPUTES SOLVED

The CCMA is an independent body established in 1996 in terms of the Labour Relations Act, 1995, as amended. It does not belong to, nor is controlled by, any political party, trade union or business, even though the CCMA showed a tremendous record of 1 069 400 labour disputes on trial between November 1996 and 31 January 1997. The total number of working days lost as a result of industrial action has decreased by 68% since the introduction of the new Labour Relations Act in 1995.

[Source: *South African Yearbook 2008/2009*]

4.5.1 Write the abbreviation CCMA in full? (1)
4.5.2 Name a goal of the labour relations act (1)
4.5.3 Why is it important that the CCMA does not belong to any political party, trade unions or business (2)
4.5.4 Why is it important to limit the amount of working days lost? (2)
4.5.5 Which phrase from the extract above indicates that the introduction of the labour relations act was to the advantage of the economy as a whole? WHY ? (4)

[10]

ALL SECTION B QUESTIONS HAVE TWO 8 MARKS QUESTIONS. ONE IS A M**IDDLE ORDER** PARAGRAPH, THE OTHER IS A **HIGHER ORDER** PARAGRAPH

QUESTION 5 **Paragraph type questions – Middle Cognitive**

5.1 Distinguish between conciliation and arbitration at the CCMA (8)
5.2 Briefly discuss/tabulate conventions that are essential to achieve improved conditions in the workplace. (8)
5.3 Discuss labour rights in South Africa. (8)
5.4 Discuss the objectives of the Labour Relations Act no 66 of 1995 (8)
5.5 Discuss the rights of trade union members (8)
5.6 Discuss the general functions of a workplace forum (8)
5.7 With the aid of a graph, discuss the interaction of supply and demand for labour. (8)
5.8 Illustrate the movement along the demand curve for labour if the level of wages increases and decreases. (8)
5.9 Discuss the functions of the CCMA (8)
5.10 Discuss the powers of the Labour Court. (8)
5.11 Discuss the size and growth of the population as a factor affecting the supply of labour. (8)
5.12 Discuss the wages offered as a factor affecting the supply of labour. (8)
5.13 Discuss the influence of mechanisation and substitution on labour. (8)
5.14 Discuss FOUR factors that determine the demand for labour. (8)

TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS RE-QUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/de-scribe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

QUESTION 6 **Paragraph type questions – Higher cognitive**

6.1 Evaluate the influence of productivity and skills on labour. (8)
6.2 How is arbitration used to solve labour disputes? (8)
6.3 Discuss majorification as one of the objectives of the Labour Relations Act. (8)

SECTION C

HINT: All section C questions have TWO questions 5 & 6 NOT like in this document. In the examination you will need to answer only one.

ESSAY STRUCTURE

HINT: Section C – the long question, must be answered in FOUR sections: Introduction (definition), Body (headings and full sentences in bullets) additional part and conclusion (summarising). The mark allocations for Section C is as follows:

STRUCTURE OF ESSAY:	MARK ALLOCATION:
Introduction The introduction is a lower-order response. • A good starting point would be to the main concept related to the question topic • Do not include any part of the question in your introduction. • Do not repeat any part of the introduction in the body • Avoid saying in the introduction what you are going to discuss in the body	Max 2
Body: **Main part:** Discuss in detail/ In-depth discussion/ Examine/ Critically discuss/ Analyse / Compare/ Distinguish/ Differentiate/ Explain/ Evaluate **Additional part:** Give own opinion/ Critically discuss/ Evaluate/ Critically evaluate/ Calculate/ Deduce/ Compare/ Explain Distinguish / Interpret/ Briefly debate/ How/ Suggest	Max 26 Max 10
Conclusion Any Higher or conclusion include: • A brief summary of what has been discussed without repeating facts already mentioned in the body • Any opinion or value judgement on the facts discussed • Additional support information to strengthen the discussion/analysis • A contradictory viewpoint with motivation, if required Recommendations	Max 2
TOTAL	**40**

QUESTION 7

- Discuss Labour relations, dispute resolutions and dispute resolution mechanisms in detail. (26)
- Evaluate the need for consultation as an objective of Labour Legislation (10)

[40]

CONTEMPORARY ECONOMIC ISSUES
TOPIC 3:ECONOMIC REDRESS
WEEK 4-6

KEY CONCEPTS

CONCEPT	DESCRIPTION/ DEFINITION
Affirmative action	Policies and practices aimed at redressing social, economic, and educational imbalances/inequalities arising out of unfair discrimination.
Democratisation	Citizens taking part in the decision-making process of the country.
Human resource development	Formal activities that will improve the ability of individuals to reach their full potential
Labour union	An organisation that represents the economic interest of the workers
Mentoring programme	A method of training where a mentor (experienced person) is assigned to act as advisor, counsellor to a trainee
Minimum wage	The lowest wage an employer pays to an employee
Public hearing	A parliamentary process where interested parties have the opportunity to make submissions or o ask questions and register objections
Redress	To put right a wrong or to put people in a position they would have been if they had not been discriminated against
NDP	National Development Plan – aims at eliminating poverty and reducing inequality by 2030
RDP	The broader aim of this socio-economic policy was to establish more equal society through reconstruction and development as well as strengthening democracy for all South Africans
BEE	BLACK ECONOMIC EMPOWERMENT PROGRAMMES (BEE). The main objective of B-BBEE is the inclusion of black people in the economy
AsgiSA	Accelerated and Shared Growth Initiative for South Africa (**AsgiSA**) ; Its objectives were to introduce policies, programmes and interventions that would allow the South African economy to grow enough to halve poverty and unemployment between 2004 and 2014.
NGP	The *New Growth Path* proposed major improvements in government, with a call for slashing unnecessary red tape, improving competition in the economy and stepping up skills development
GEAR	Growth, Employment and Redistribution Aimed at redistribution of income and socioeconomic opportunities in favour of the poor
EPWP	The expanded public works programme which aims at Poverty and income relief through temporary work to poor, unskilled and unemployment South Africans

SECTION A: TYPICAL EXAM QUESTIONS

QUESTION 1 **SECTION A – Short Questions**

HINT: When answering Section, A – short question, it is important not to rush but to read the questions carefully and to make sure you understand what the question is asking. Always remember one alternative is completely wrong, one is nearly correct, and one is totally correct. It is easy to eliminate the completely wrong answer, but if you do not read the question carefully the nearly correct answer will also appear correct. The answer will NEVER be two options. Only ONE option is correct. Your answer will immediately be marked incorrect if you write TWO options

1.1. Various options are provided as possible answers to the following questions. Choose the correct answer and write only the letter (A-D) next to the question number.

1.1.1. It focuses on the quality and quantity of labour.
A. Labour
B. Education
C. Human resources
D. Capital

1.1.2. The quality of labour depends on ...
A. death rate
B. birth rate
C. education
D. employment

1.1.3. This institution was established to deal with registration of qualification in South Africa.
A. SACE
B. SAQA
C. OBE
D. ABET

1.1.4. The objective of Skills Development Act
A. Education and training by the employees
B. To decrease employment in South African economy
C. Provides for employment of youth in the country
D. To improve the quality of working life for workers

1.1.5. This sector is responsible for identifying the skills and developing plans and targets for training.
A. Department of Health
B. National Skills Authority
C. Skills Development Act
D. Sector Education and Training Authority

1.1.6. They consist of structured learning and work experience that leads to nationally registered qualifications.
A. Learnership
B. Skills programmes
C. Financing skills training
D. Learnership agreements

1.1.7. The Act consists of prohibition of unfair discrimination and deals with affirmative action
A. Basic Conditions of Employment Act
B. Employment Equity Act
C. South African Schools Act
D. Basic Education Act

1.1.8. It is the government's programme aimed at providing previously disadvantaged South Africans with access to agricultural land.
A. Land Redistribution Programme
B. Land Bank Programme
C. Land Restitution Programme
D. Land Development Programme

1.1.9. This department is responsible for the country's marine resources.
A. Department of Land Harvest
B. Department of Agriculture, Forestry and Fisheries
C. Department of Basic Education and Training
D. Department of mines

1.1.10.It oversees and encourages and promotes the establishment of industries in South Africa.
A. DTIC
B. IDP
C. IDC
D. PSA

1.1.11.This institution compiles a National Skills Development Strategy (NSDS).
A. Sector Education and Training Authority
B. Construction Education and Training Authority
C. National Educational Authority
D. National Skills Authority

1.1.12. Forestry industry in South Africa is managed by ...
A. Department of Agriculture
B. Department of Water Affairs and Forestry
C. Mineral and Petroleum Resource Department
D. The Mining Charter Department

1.1.13. Which one of the following factors of production is also called people-made resources?
A. Natural resources
B. Capital
C. Entrepreneurship
D. Labour.

1.1.14.... are used to help poor to acquire ownership of fixed residential properly.
- A. Subsidies
- B. Loans
- C. Social grants
- D. Housing grants

1.1.15. It provides and coordinates management and entrepreneurship training.
- A Sector Education and Training Authority
- B. Small Enterprise Development Agency
- C. Department of Trade and Industry
- D. Industrial Development Corporation

1.2. Choose a description from COLUMN B that matches the item in COLUMN A. Write only the letter (A-I) next to the question number (1.2.1.-1.2.10)

(10x1) (10)

	COLUMN A		COLUMN B
1.2.1.	BBBEE	A	It is a people-made resources
1.2.2.	SEDA	B	Oversee NQF implementation and collaborate with the Quality Councils
1.2.3.	Capital	C	It refers to policies and practices aimed at redressing social, economic and educational imbalances arising out of unfair discrimination
1.2.4.	Minerals and Petroleum Resources Development Act	D	It focuses on the quality and quantity of labour
1.2.5.	Land restitution	E	It provides the foundation for the transformation of the South African economy so that black who own, manage and control the country's economy can increase
1.2.6.	Affirmative action	F	It provides for a national skills training strategy
1.2.7.	Skills Development Act	G	It provides and coordinates management and entrepreneurship training.
1.2.8.	Human resources	H	It aims to accelerate redress in the mining industry
1.2.9.	Quality of labour	I	It accesses the validity of claims, restore land or pay financial compensation to the claimants
1.2.10.	SAQA	J	They assist unemployed people to enter employment
		K	It is dependent on the birth and mortality rates, and labour force participation rate

1.3 Provide the economic term/concept for each of the following descriptions. Write only the term/concept next to the question number. No *abbreviations, acronyms or examples* will be accepted.

1.3.1 They are aimed at unemployed young people who are out of school, and SMMEs.
1.3.2 It is an agreement entered into between a learner and an employer and an accredited training provider
1.3.3 The Act that focuses on unfair discrimination and promote equity
1.3.4 The programme help people who were dispossessed of their land because of racial discrimination laws and practices qualify for restitution.
1.3.5 This is provided to help poor people to acquire ownership of fixed residential property.
1.3.6 The Act was passed in 1996 to provide for the establishment of Khula Enterprise Finance.
1.3.7. The programme was introduced to alleviate poverty and reconstruct the economy.
1.3.8 It focuses on economic growth and employment creation.
1.3.9 It is a situation wherein people can afford basic needs such as food, water and shelter.
1.3.10 This organisation consists of representatives of the government, business, labour, and development organisations.

> HINT: When the question requires you to “list” or “name”, you need not write in full sentence but merely few words or phrases. This MUST be done in bullet form. This type of questions is applicable for 2.1.1., 3.1.1. and 4.1.1.

QUESTION 2

2.1.1. List any TWO factors of production (2)
2.1.2. Mention any TWO factors to improve the quality of labour. (2)
2.1.3. Mention TWO objectives of Skills Development Act (No. 97 of 1998 (2)
2.1.4. Name TWO learning programmes created by the Skills Development Act. (2)
2.1.5. Name any TWO SETAs created by the National Skills Authority. (2)
2.1.6. List the TWO programmes introduced in South Africa to deal with land issues. (2)
2.1.7. Mention any TWO sources of money to acquire businesses. (2)
2.1.8. Name TWO ways of capital to acquire properties (2)
2.1.9. List any TWO BEE codes of good practice (2)
2.1.10. Mention any TWO redress programmes introduced by the government to deal with the imbalances of the past. (2)
2.1.11. Name any TWO natural resources (2)
2.1.12. List any TWO importance of capital in the economy (2)

QUESTION 3

HINT: These types of questions are applicable for 2.1.2, 3.1.2 and 4.1.2. Answers must be provided in full sentences

3.1. Answer the following questions

3.1.1.	Why is capital important to the economy?		(2)
3.1.2.	What is the aim of RDP?	(1x2)	(2)
3.1.3	What is the objective of BEE?	(1x2)	(2)
3.1.4	What is SBDPP?	(1x2)	(2)
3.1.5	What is the NDP?	(1x2)	(2)
3.1.6	What is the purpose of the EPWP?	(1x2)	(2)
3.1.7	What is the NGP?	(1x2)	(2)
3.1.8	What is ASGISA and its objective?	(1x2)	(2)
3.1.9	What is the purpose of GEAR?	(1x2)	(2)

QUESTION 4 – DATA RESPONSE

4.1 Study the information below and answer the questions that follow.

4.1.1.	Identify ONE economic problem from the picture above.	(1x1)	(1)
4.1.2.	Name the programme introduced to solve the problem above.	(1x1)	(1)
4.1.3.	Briefly describe the concept Black Economic Empowerment	(1x2)	(2)
4.1.4.	Explain the rationale behind the BEE programme in South Africa.	(1x2)	(2)
4.1.5.	Evaluate the success of the BEE programme in South Africa.	(2x2)	(4)

4.2 Study the information below and answer the questions that follow:

NATIONAL DEVELOPMENT PLAN (NDP)

The NDP has progressed despite a critique report stating that South Africa has the most challenges of unequal society and being trapped in poverty in the world. Many people were still experiencing low **economic development.**

4.2.1 In what year was the NDP implemented? (1)
4.2.2 Name ONE way how the government can reduce poverty of vulnerable groups in South Africa. (1)
4.2.3 Briefly describe the concept *economic development*. (2)
4.2.4 What negative effect can the NDP have on tax payers? (2)
4.2.5 How will the South African economy benefit from the implementation of the NDP? (4)

4.3 Study the extract below and answer the questions that follow

ECONOMIC GROWTH AND DEVELOPMENT POLICIES IN SOUTH AFRICA

Over the years South Africa has implemented various policies with the aim of growing and developing the economy. One of such policies is Expanded Public Works Programme which has created more than one million since 2014.

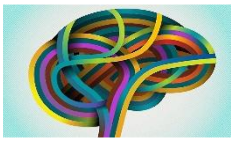
However, the economic growth problem is still persisting as the country has been recording real GDP growth of less than 2 % since 2016

[Adapted from: *www.google.co.za]*

4.3.1 What type of workers are often employed through the Extended Public Works Programme? (1)
4.3.2 Mention the economic policy implemented in 1994 with the aim of addressing the imbalances of the past (1)
4.3.3 Briefly describe the concept *economic growth.* (2)
4.3.4 How can *human resources be used* as an approach to alleviate poverty? (2)
4.3.5 How can Extended Public Work Programmes be used to reduce unemployment rate? (4)

QUESTION 5
Paragraphs or discussion questions (middle Order)
5.1. Discuss the main focus of AsgiSA (8)
5.2. Discuss the causes of poverty in the country. (8)
5.3. Discuss major strategies to improve labour productivity in the country. (8)

HIGHER ORDER PARAGRAPHS



TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUESTIONS REQUIRE THE LEARNERS TO USE HER/ HIS CRITICAL THINIKING SKILLS.

Higher order questions are grounded in the content. These types of questions test critical thinking, where candidates should be able to apply their knowledge, through logical reasoning and also have an awareness of their current economic climate. Content (covered by discuss/examine/describe/ analyse/explain/evaluate/compare/assess/justify/construct/calculate) ***can be assessed as higher-order questions. Answers will not necessarily be found in textbooks.***

5.4. How has the government solved the issue of land distribution in South Africa?
5.5. Evaluate the success of the Employment Equity Act in the South African
5.6 What steps have the government taken in the democratization of the economy since 1994?

SECTION C

TYPICAL EXAM QUESTIONS

ESSAY STRUCTURE

: All section C questions have TWO questions 5 & 6 NOT like in this document. In the examination you will need to answer only one.

HINT: Section C – the long question, must be answered in FOUR sections: Introduction (definition), Body (headings and full sentences in bullets) additional part and conclusion (summarising). The mark allocations for Section C is as follows:

STRUCTURE OF ESSAY:	MARK ALLOCATION:
Introduction **The introduction is a lower-order response.** • **A good starting point would be to the main concept related to the question topic** • **Do not include any part of the question in your introduction.** • **Do not repeat any part of the introduction in the body** • **Avoid saying in the introduction what you are going to discuss in the body**	**Max 2**
Body: **Main part: Discuss in detail/ In-depth discussion/ Examine/ Critically discuss/ Analyse / Compare/ Distinguish/ Differentiate/ Explain/ Evaluate** **Additional part: Critically discuss/ Evaluate/ Critically evaluate/ Calculate/ Deduce/ Compare/ Explain Distinguish / Interpret/ Briefly debate/ How/ Suggest/ Construct a graph**	**Max 26** **Max 10**
Conclusion **Any Higher or conclusion include:** • **A brief summary of what has been discussed without repeating facts already mentioned in the body** • **Any opinion or value judgement on the facts discussed** • **Additional support information to strengthen the discussion/analysis** • **A contradictory viewpoint with motivation, if required** • **Recommendations**	**Max 2**
TOTAL	**40**

QUESTION 6 ESSAY

- Discuss in detail the economic aims of the following redress efforts of the South African economy :
  - Reconstruction and Development Programme
  - AsgiSA (26)
- Evaluate how successful was the RDP in addressing the social ills of apartheid and meeting basic needs of the society. (10)

[40]