GAUTENG PROVINCE

EDUCATION

REPUBLIC OF SOUTH AFRICA

REMOTE LEARNING ACTIVITY BOOKLET

(RELAB)

SUBJECT: ECONOMICS

LEARNER BOOK

GRADE: 11

TERM THREE & FOUR

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.

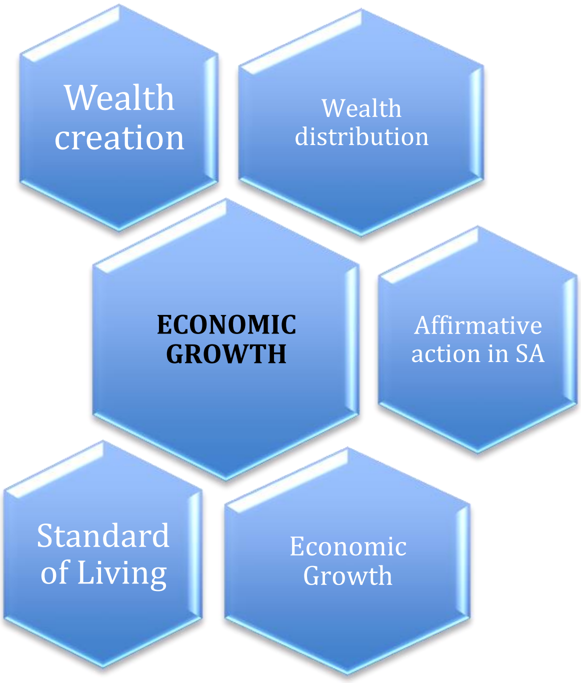
B. TABLE OF CONTENTS

CONTENT PROGRESSION

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:

TOPIC 8: ECONOMIC GROWTH



1 ECONOMIC GROWTH AND DEVELOPMENT

Key Concepts	Description
Wealth	Is the stock/value of assets accumulated overtime or owned by individuals, businesses and government
Income	Is the amount of money earned by factors of production for participating in economic activities.
Economic Growth	Is the increase in the productive capacity of the economy/country over a certain period of time? It is measured by the percentage change in the real GDP in a certain period, usually a year
Economic Development	s an increase in of the standard of living of people in a country? It includes the improvement of health, education, infrastructure and living conditions in general
Income distribution	Shows how the total income is distributed among its population, this may be even or uneven.
Wealth distribution	It is unevenly distributed in all societies, but more obvious in free market economies than in centrally planned systems
Lorenz Curve	Is a graphical representation of how uneven the distribution of income /quintile distribution of income
Land Restitution	Policy that consists of the state buying land from the present owners and giving it to those who had their land confiscated during the apartheid years.
Real GDP	is GDP after the increase in the general price level has been taken into account, GDP deflator index is used to remove effects of inflation (adjusted to inflation)

Key Concepts	Description
Nominal GDP	It doesn't give a true picture of economic growth, as the increase in general price level (inflation) is not taken into account/considered.

2. WEALTH CREATION PROCESS

Definition of wealth

Is the stock/value of assets accumulated overtime or owned by individuals, businesses and government

Income

Is the amount of money earned by factors of production for participating in economic activities?

Sources of wealth

- Inheritance
- Savings
- Gifts
- Appreciation of assets
- Luck (winning lottery and jackpots)
- profits
-

Methods to create wealth

- Wealth creation is the process of increasing your stock of assets

Methods:

- Education and training
- Savings
- Investment

3. DISTRIBUTION

Income distribution: Shows how the total income is distributed among its population, this may be even or uneven.

Wealth distribution: It is unevenly distributed in all societies, but more obvious in free market economies than in centrally planned systems.

Inequality: Means there is a big difference between income and levels of wealth of the richest and the poorest households/countries

Quintile ratio is used to measure income inequality between different groups of people.

It is obtained by dividing the income of the highest 20% by the income the lowest 20%

Gini Coefficient: Is a statistic that can be used to measure the degree of inequality in the distribution of income, is calculated using the Lorenz curve

Lorenz curve is a graphical representation of how uneven the distribution of income /quintile distribution of income.

Redistribution methods:

- Taxation
- Social security programmes/grants
- Minimum wage
- Free benefits
- Subsidised services
- Job creation programmes Land redistribution
- Redress policies
- Reducing discrimination

4 ECONOMIC GROWTH

- Is the increase in the productive capacity of the economy/country over a certain period of time
- It is measured by the percentage change in the real GDP in a certain period, usually a year
- It is important because it provides citizens with more job opportunities.

Calculation

Nominal GDP – doesn't give a true picture of economic growth, as the increase in general price level
(inflation) is not taken into account/considered. Formula: output multiplied by average price
Real GDP – is GDP after the increase in the general price level has been taken into account,
GDP deflator index is used to remove effects of inflation (adjusted to inflation).
The real GDP cannot be used to determine income distribution in a country, but must be divided by the size of the population to obtain: **real GDP per capita**
An increase in real GDP indicates economic growth, while increase in real GDP per capita Indicates:
economic development (increase in the standard of living of the population.

To calculate the GDP deflator:

$$\textbf{GDP deflator} = \frac{\textbf{average price for current year}}{\textbf{average price for the base year}} \times 100$$

Once the GDP deflator has been calculated, real GDP can be calculated

$$\textbf{Real GDP} = \frac{\textbf{nominal GDP}}{\textbf{GDP deflator}} \times 100$$

Importance

Benefits of economic growth

- Reduce unemployment
- Reduce poverty
- Income increase
- Increase in government revenue
- Reduce government expenditure

Methods

- Increase in productivity
- Especially labour productivity
- The availability of production factors
- All four factors of production
- Increase in investment
- Capital widening and capital deepening
- Technological development
- Inventions, scientific discoveries and innovation
- Improvement in infrastructure

Constraints on growth

- Lack of appropriate skills
- Low levels of entrepreneurship
- Too many regulations
- Shortage of infrastructure
- Lack of management skills
- Poverty and unemployment
- High value of the rand

SA's recent growth experience

- By world's standards, the economic growth rate in South Africa is fairly low
- Real GDP did increase when compared with years before 1994
- The global recession of 2009 had a great impact on South African economy.
- The impact of Covid 19 continues to be felt on the economy and potential growth

5. STANDARD OF LIVING

Definition

- The quality of life of an individual/household (welfare)
- Measured by the quantity of goods and services available to the population of a country on average.
- Economic growth is essential for an improvement in standard of living

Population size

- The standard of living of the population of a country is influenced by the size of the population

Per Capita income

- Is the average income received by every person in the country?
- Is calculated by dividing the real GDP by the total population.
- The standard of living is measured in terms of the total income earned per capita, this method is useful for comparing standard of living between countries.

6. ECONOMIC DEVELOPMENT

Definition

- Is an increase in of the standard of living of people in a country. It includes the improvement of health, education, infrastructure and living conditions in general

- Economic development is linked to economic growth

Methods of development

- Attracting new businesses
- Building community capacity
- Building economic partnerships
- Expanding local markets/development of industries
- Using out-dated facilities – sustainable development
- Promoting direct investment – capital formation
- Natural resources – effective utilisation.

Common characteristics

Low standard of living: Low per capita income, slower growth of the per capita income, unequal
distribution of income, poverty, low life expectancy, education

Low levels of productivity: Lack of necessary skills, expertise, poor health, poor nutrition

High population growth and dependency burdens: High birth rates, high population cause problems
(unemployment, pressure on housing, education and health services), younger children and elderly
people (non-productive) cause a dependency burden

High levels of unemployment: Very few job opportunities for large number of unemployed people, low
levels of literacy, low levels of technological skills

Dependence on primary sector: A high proportion of people is employed in the primary sector
Most exports are on this sector

Deficiency of infrastructure: In most developing countries, the major problem is infrastructure is lacking or poorly maintained. This results in poor access to markets

Developing strategies

Improve the quality and quantity of factors of production: Natural resources, capital formation,
human resources, entrepreneurship
Use of technology by accessing modern technology
Improve the infrastructure: Investment will expand a range of opportunities
Job creation
Government policies

SA's endeavours (best efforts)

The government had to set new policies, implement programmes and strategies to develop a new
democratic society to improve people's quality of life, which are:
Reconstruction and Development Programme (RDP)
Growth, Employment and Reconstruction (GEAR)
Accelerated and Shared Growth Initiative for South Africa (AsgiSA)

Some of the endeavours are:

- Provision of basic services (housing subsidies, free electricity, water, sanitation)
- Creating stability in the economy

Regional level (Spatial Development Initiatives (SDIs) by DTI
Continental level (Industrial Development Zones (IDZs)
Global level (Integrated Manufacturing Strategy (IMS) to improve international competitiveness and being member of BRICS to improve cooperation between countries.

Human Resource Development (HRD)
New Growth Path (NGP) to reduce unemployment
The Government's electoral mandate (five priorities)

- Transform the economy
- Implement a rural development strategy
- Provide an affordable education system
- Create a national healthcare system
- Fight crime and corruption.

The way forwards (areas that need to improve for SA to move forward)

- Speeding up growth and transforming the economy
- Fighting poverty and building social cohesion
- International co-operation
- Building an effective development state

The target year for achieving Millennium Development Goals was 2015

Indigenous Knowledge Systems (IKS)

- It is sometimes called traditional knowledge
- Is the local knowledge that is unique to a certain culture or society.
- Are a complex set of knowledge, skills and technologies which is part of African philosophy and social practises which developed over many centuries
- Since 1994 SA has accepted that indigenous knowledge has value and must be researched and preserved.
- The IKS policy was adopted by the Cabinet in 2004

Elements of IKS

- Political element (all authority systems)
- Social/cultural element (religion and belief systems)
- Economical element (agriculture, mining and manufacturing)

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 A graph that shows how uneven the distribution of income is between households is called the ...

A Laffer curve
B Philips curve
C Circular flow
D Lorenz curve

1.1.2 High-income earners are taxed at a higher rate:

A Proportional
B Regressive
C Progressive
D Indirect tax

1.1.3 The standard of living of a population is best described by the …

A Per capita income
B Low economics growth
C A decrease in expenditure
D Secondary education

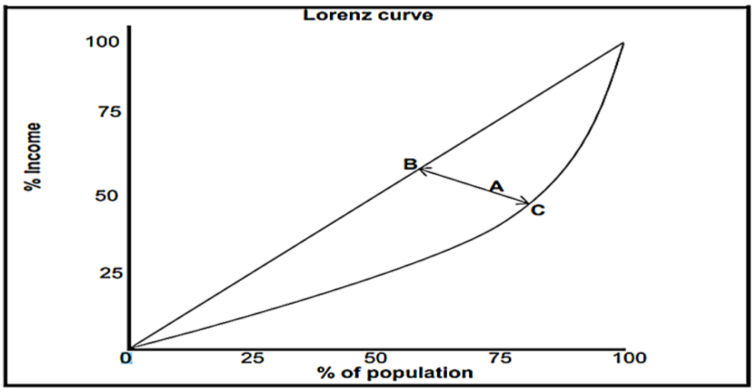
1.1.4 This is used to help beneficiaries acquire ownership of fixed residential property.

A Property subsidy
B Land restitution
C Land redistribution
D BEE

1.1.5 The value of the Gini-coefficient ranges between...

A 0 and 1
B 10 and 100
C 1 and 10
D 100 and 1000.

1.1.6



Refer to the graph above

What happens if the curve is away from the line of equality.

A Constant inequality

B Less inequality

C Greater degree of inequality

D Average inequality

1.1.7 ………measures the economic growth in percentage from one period to another.

A Real economic rate

B Economic growth rate

C Inflation

D GDI

1.1.8 An increase in the production of goods and services in a country over a year in physical terms is known as...

A Economic development

B Economic growth

C Investment

D Capital formation

1.1.9 The ... is used to measure the standard of living in a country.

A Level of per capita income

B Inflation

C Balance of payment account

D Producer price index

1.1.10 Gini coefficient of **ONE** represents ... distribution of wealth in the economy.

A perfectly equal

B perfectly unequal

C straight

D identical

1.1.11 ... refers to the welfare of all people and their ability to maintain an acceptable existence.

A Poverty
B Productivity
C Standard of living
D Economic growth

1.1.12 Why do female traditional healers implement a strategy for management of indigenous knowledge systems

A To derive monetary gain
B To contribute to the country's GDP.
C To improve the lives of rural communities
D Compete with western knowledge systems

1.1.13 Indigenous knowledge systems are important to the community.
The following statements confirm the above except

A It improves culture-fit problem solving solutions
B Key to sustainable development
C Help understand international conditions
D Contribute to global development process.

1.1.14 The following statement best argues the fact that SA has the most highly developed telecommunications network in Africa.

A. A stronger economy
B More calls are made in South Africa compared to other African countries
C Colonialism
D International support

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 Wealth	A This expresses the number of year a new born infant will live if the prevailing patterns of mortality remain the same throughout this person's life.
1.2.2 Gini coefficient	B Is the reward that owners of factors of production receive for using it in the production process.
1.2.3 Inheritance	C Show how a nation's wealth is distributed across its population.
1.2.4 Life expectancy	D This is used to help beneficiaries acquire ownership of fixed residential property.
1.2.5 Economic Growth	E A statistical measure used to express the inequality of income distribution.
1.2.6 Income	F When a county's stock of capita increase at the same rate as the workforce.

COLUMN A	COLUMN B
1.2.7 Standard of living	G The practice of passing on wealth from one generation to the next.
1.2.8 Lorenz curve	H Financial assistance that need not to be repaid.
1.2.9 Per capita in-come	I Refers to the wealth, comfort, material goods and necessities available to a certain socio-economic class in a certain geographical area
1.2.10 Property sub-sidy	J A measure of the total output of a country and divide it by the population size of a country.
	K The increase in the production capacity of the economy
	L Value of all assets that individuals, businesses and government own

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 Income per member of the population of a country.
1.3.2 The index that measures the inequality of income.
1.3.3 Relationship between the quantity of output and quantity of input.
1.3.4 A curve that shows how nation's wealth is distributed across its population.
1.3.5 An institution that uses CPI to measure headline inflation.
1.3.6 Stock of capital assets of households, representing money earned and saved at some point of time.
1.3.7 Shows whether the gross national income is divided equally among population
1.3.8 This term refers to purchasing from BEE qualifying businesses.
1.3.9 This term means fairness or evenness, and achieving it is an economic objective.
1.3.10 The level of wealth, comfort, material goods and necessities available to a certain socioeconomic class in a certain geographic area.

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 Name TWO social indicators related to income distribution. (2x1)
2.2 Name TWO factors that influence the income levels. (2x1)
2.3 Name TWO factors that promote economic growth (2x1)

2.4	List TWO ways in which wealth can be created	(2x1)
2.5	Mention any TWO uses of per capita GDP.	(2x1)
2.6	Mention any TWO methods the government use to distribute income	(2x1)

QUESTION 3:

> Useful Tips
> This types of questions are applicable for 2.1.2, 3.1.2 and 4.1.2. They must be answered in full sentences.

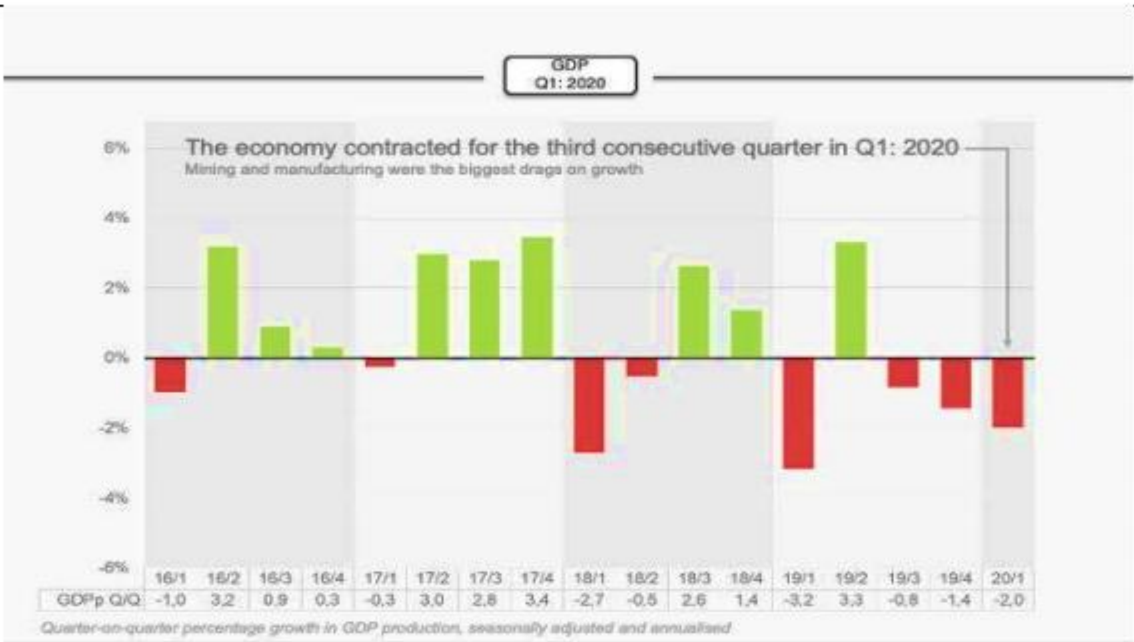
3.1	How is the standard of living in a country determined?	(1x2)
3.2	What is the use of the Gini-coefficient?	(1x2)
3.3	How does wealth differ from income?	(1x2)
3.4	What effect does a low economic growth rate have on the economy	(1x2)
3.5	Why does South Africa need to increase its economic growth rate?	(1x2)
3.6	What is the meaning '*per capita income'*?	(1x2)
3.7	What is *'income inequality'* ?	(1x2)
3.8	What do we measure using the Lorenz curve?	(1x2)
3.9	What effect will an increase in the income tax rate have on the inequality gap between the rich and the poor?	(1x2)
3.10	What effect will HIV/Aids have on future economic growth?	(1x2)
3.11.	How important is economic growth in the economy?	(1x2)

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 4.1:

4.1 Study the graph below and answer the questions that follows



4.1.1. What is represented by the graph above? (1)

4.1.2. In which year, South Africa's growth rate was at the lowest? (1)

4.1.3. Describe the concept *Gross Domestic Product*. (2)

4.1.4. Briefly explain why the South African growth rate was -2,0 in quarter 1of 2020. (2)

4.1.5. Distinguish between economic growth and economic development. (4)

4.2 Read the extract and answer the questions that follow

NDP 2030 – THE STATE CANNOT ACHIEVE OBJECTIVES ALONE

Growing SA's skills base and supporting students from poor and middle-income families is critical to the growth and development of SA's economy.

According to a report released by the department of higher education and training, a very small number of people attend tertiary education institutions in South Africa, the lowest of the five BRICS countries.

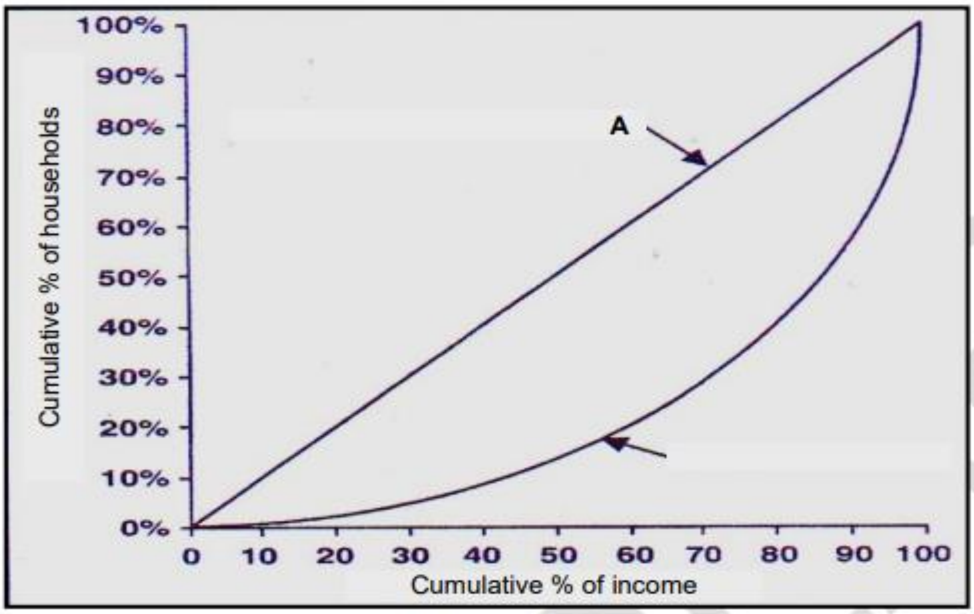
According to the NDP, active citizenry, where the citizens make strides in uplifting themselves and those around them, is needed in the last 10 years before 2030 for its objectives to be realized**.**

Source: Adapted from https://www.isfap.co.za/about-us/#.YNHJkWgzbIU

4.2.1 Name any other development strategy that has been used in South Africa. (1)
4.2.2 Give an example of what the citizens of South Africa can do to uplift themselves. (1)
4.2.3 Briefly describe the term *economic development* (2)
4.2.4 Explain the main aim of the National Development Plan. (2)
4.2.5 How will South Africa's skills base be improved through the NDP implementation? (4)

QUESTION 4.3:

4.3 **Study the graph below and answer the questions that follow**:



4.3.1 Which economic concept is depicted in the graph above? (1)
4.3.2 Provide the label for line A. (1)
4.3.3 Briefly describe the term *wealth*. (2)
4.3.4 Why does South Africa have one of the highest rates of inequality in the world? (2)
4.3.5 Explain the relationship between the Gini coefficient and the Lorenz curve (4)

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

LIFE EXPECTANCY TRENDS IN AFRICA

Africa Month - our continent celebrates from Rasben Sakka in Tunisia to Cape Agulhas in South Africa

Life expectancy surged by over 20 percent in many countries between 2000 and 2016, according to World Bank figures. Much of this is due to more affordable medication and the availability of antiretroviral drugs.

YEAR	LIFE EXPECTANCY AT BIRTH WITHOUT HIV	LIFE EXPECTANCY AT BIRTH WITH HIV
2014	65,5	52,1
2015	66,3	56,0
2016	67,9	58,7
2017	67,1	61,2

[Source: www.statssa.gov.za/Public Sector Manager - May 2017]

4.4.1 Name the type of indicator under which life expectancy is classified (1)

4.4.2 Give ONE reason for low life expectancy levels in Africa. (1)

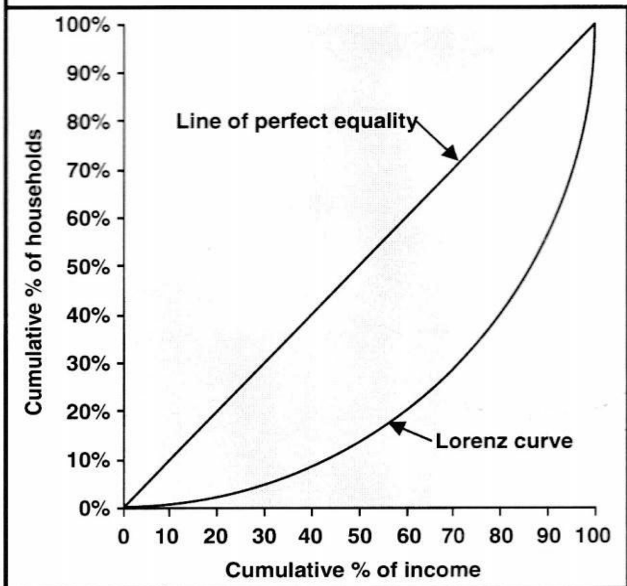
4.4.3 Explain the term *life expectancy*. (2)

4.4.4 What impact will HIV/AIDS have on productivity levels (2)

4.4.5 Evaluate the factors which brought about the improvement in life expectancy from 52,1 years to 61,2 years (4)

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

POVERTY AND WEALTH DISTRIBUTION



- According to World Bank statistics, the percentage of South Africans living under the poverty line had fallen from 38 per cent in 2000 to 23 per cent by 2006.
- But income inequality has gone in the other direction. South Africa's Gini coefficient, which was already quite high – mainly due to the legacy of apartheid, has seen income disparity drastically increase since 2009.
- South Africa has one of the highest rates of inequality in the world. While much focus has traditionally centered on the disparities between the races, inequality has risen within each racial group.

[Source: *World Bank Report 2015*]

4.5.1 Which international institution provided the data in the extract? (1)
4.5.2 When did the income disparities in South Africa increase drastically (1)
4.5.3 Explain the term *'Gini coefficient'* (2)
4.5.4 Explain why South Africa has one of the highest rates of inequality in the world (2)
4.5.5 Briefly describe any TWO constraints to economic growth. (4)

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

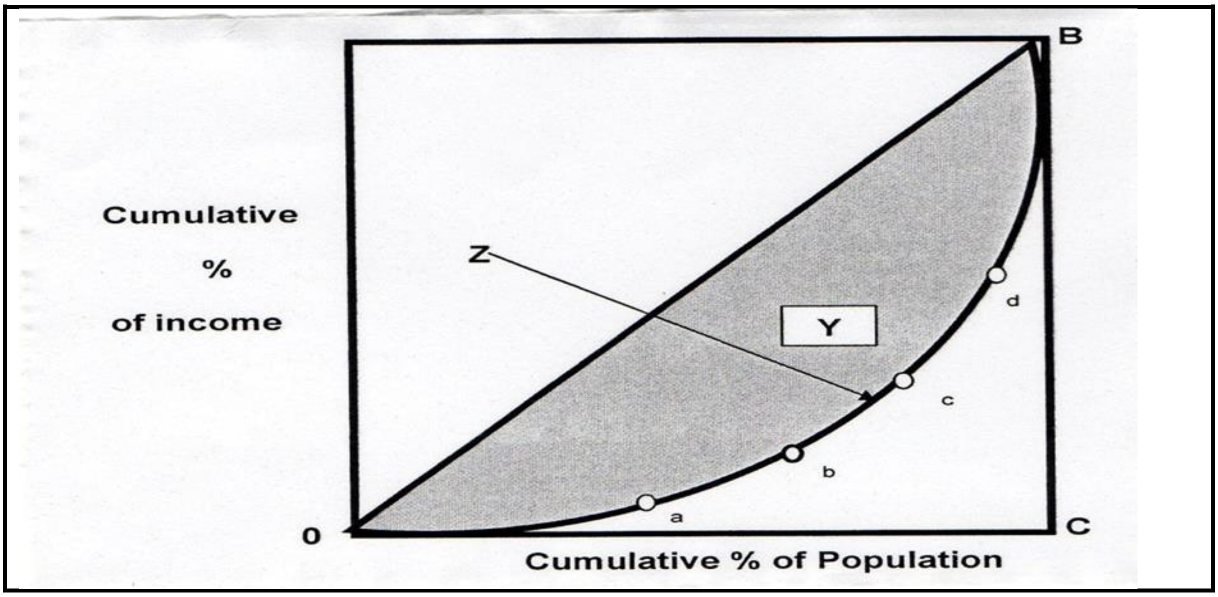
EDUCATION STATISTICS FOR SOUTH AFRICA

Education indicator	Percentage	Effects on wealth creation
Enrolment in secondary school	57% of total possible	Almost half of the population does not get matric – less likely to be employed.
Enrolment in tertiary education	15%	Severe lack of degrees and diplomas impact on skills workforce – negative impact on human capital.
Literacy rate	88%	Almost 12% of the population cannot read and write-few job prospects.

[Sourcehttps://en.mwikipedia.org]

4.6.1 What percentage is the enrolment in secondary education? (1)
4.6.2 What impact does the literacy rate have on wealth? (1)
4.6.3 What has led to the low enrolment in tertiary education? (2)
4.6.4 Explain how lack of education can lead to low standard of living (2)
4.6.5 How should higher education inequalities be addressed to improve the standard of living of South Africa (4)

4.7 Study the graph below and answer the questions that follows:



4.7.1 Identify the curve (Z) in the above graph (1)
4.7.2 What does the straight line OB imply? (1)
4.7.3 Identify the shaded area **(Y).** (2)
4.7.4 What is the relationship between line OB and curve Z? (2)
4.7.5 Briefly explain the concept Gini coefficient. (4)
.

4.8 Study the Gini Indexes for a selected group of nations in the table below, then answer the questions that follow:

Country	**Gini Index**	**Country**	**Gini Index**
Japan	24.9	United Kingdom	36.0
Sweden	25.0	Iran	43.0
Germany	28.3	United States	46.6
France	32.7	Argentina	52.2
Pakistan	33.0	Mexico	54.6
Canada	33.1	South Africa	57.8
Switzerland	33.1	Namibia	70.7

4.8.1 Name the curve that is used to represent the above data. (1)
4.8.2 Which country has the highest income inequality? (1)
4.8.3 Which country has the most equality level? (2)
4.8.4 What is income distribution? (2)
4.8.5 Convert the Gini Indexes to Gini coefficient for South Africa and France (4)

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

THE WEALTH CREATION PROCESS

Wealth can be inherited. When a person dies, his or her belongings may be passed on to someone else. However, the wealth has to be created first.
[Adopted from *'Solution for all'*]

4.9.1 Mention ONE other sources of wealth other than inheritance (1)
4.9.2 Give an example of what the citizens of South Africa can do to uplift themselves. (1)
4.9.3 Name TWO methods used to measure inequality of wealth (2)
4.9.4 What makes wealthy people to be essential in the economy? (2)
4.9.5 Explain how individuals create wealth. (4)

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

INCOME AND WELATH REDISTRIBUTION IN SOUTH AFRICA

According to Mr Patrick Craven, spokesperson for Cosatu, the inequality must be addressed in South Africa. 48% of the population must survive with an income of less than R322 per month, while there are 20 people in South Africa who together own a total of R112,2 billion.

This is a very sensitive issue, and one could ask what the reason for this inequality is. The main reason why 24 million people are living below the poverty line is not that the 'super-rich' have too much money, but that there are too many people with no jobs.

The debate should be about whose responsibility it is to create jobs. Should it be the state and public sector, as Cosatu suggested in its economic policy, or the private sector companies that belong to the super-rich, who have built these companies, in most cases, out of nothing?

(Source: Beeld, 6 September 2011)

4.10.1 Identify the stakeholder/ organisation concerned about income and wealth distribution in South Africa (1)
4.10.2 What is the purpose of implementing redistribution methods? (1)
4.10.3 Explain the term *'living below the poverty line'*. (2)
4.10.4 Who should be responsible for creating job in the economy? (2)
4.10.5 Differentiate between land redistribution and land restitution (4)

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

SOUTH AFRICA'S HDI RANKING

South Africa boasts of a highly-developed economy and advanced infrastructure. It is a significant player on the African continent.

However, development has slowed down, and the nation has one of the highest inequality rates in the world.

Global ranking:	113
Life expectancy:	63,4
GDP:	349,4 billion USD
Gross National Income Per Capita:	USD 11,923
HDI ranking in Africa:	8

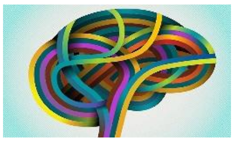
[Adapted from: africanexponent.com]

4.11.1 Name any characteristic of developing countries. (1)
4.11.2 Which indicator is used in measuring HDI? (1)
4.11.3 Briefly describe the term economic development. (2)
4.11.4 Explain the use of per capita figures. (2)
4.11.5 How can the South African government improve the quality of human resource? (4)

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

QUESTION 5.1 **Paragraph type questions – Middle Cognitive**

5.1.1 Briefly Explain two main factors that causes economic growth. (8)
5.1.2 Discuss reasons for the unequal distribution of income. (8)
5.1.3 Differentiate between economic growth and economic development (8)
5.1.4 Differentiate between physical wealth and financial wealth. (8)
5.1.5 Discuss the availability and use of factors of production as a way of growing the economy (8)
5.1.6 Discuss how income is redistributed in South Africa. (8)
5.1.7 Briefly explain 'taxation' as a method of redistributing income and wealth (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 5.2 **Paragraph type questions – Higher cognitive**

5.2.1 Critically evaluate the reconstruction and development programme as a development strategy in South Africa. (8)
5.2.2 Analyse savings as a method used to create wealth. (8)
5.2.3 Discuss capital formation as an important determinant economic growth? (8)
5.2.4 Outline entrepreneurship as the determinants of wealth creation. (8)
5.2.5 Evaluate South Africa's approach to redistribute wealth and income (8)
5.2.6 How is the Lorenz curve related to the Gini coefficient? (8)
5.2.7 Why are indigenous knowledge systems (IKS) important for the economic development of a country? (8)
5.2.8 Examine the impact of high population growth on a developing economy such as South Africa (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 ALLOCA-TION:
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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 the methods used by the government to redistribute income and wealth. (26)
- Why do we have uneven distribution of income? (10)

[40]

QUESTION 8

- Discuss in detail the following methods used to redistribute income and wealth:
  - Taxes (10)
  - Cash grants (8)
  - Natural benefits (8)
- Examine the government's efforts to redress economic inequality in South Africa. (10)

[40]

QUESTION 9

- Discuss the methods used to increase economic growth in detail. (26)
- How can human and natural resources be used to ensure economic development? (10)

[40]

TOPIC 9: ECONOMIC DEVELOPMENT

- ECONOMIC DEVELOPMENT
- Compare Economic Growth & Development
- Methods of development
- Developing strategies
- South Africa's endeavours
- Indigenous knowledge systems

CONCEPTS

KEY CONCEPT	DEFINITION/DESCRIPTION
Accelerated and Shared Growth initiative for South Africa (ASGISA)	An initiative to promote development strategies, e.g. infrastructure and skills development
Basic needs	Essential requirements needed to have a decent life such as housing, fresh water, food, health services and physical safety.
Capital goods	Tangible assets that are available to be used in the production process.
Dependency burden	The ratio of dependent young and old people to the population of working age
Developed economy	An economy where all citizens enjoy a standard of living that enables them to live a free, healthy and safe life.
Developing economy	An economy where all citizens do not have the resources available to live a free, healthy and safe life.
Development strategy	A plan of action to achieve economic development, which takes into account the current situation in a certain country.
Economic development	An increase in the overall living standard of all the people in a country.
Economic growth	A sustained increase in the GDP of a country/An increase in the productive capacity of an economy over time. It is a change in the real GDP.
Gross domestic product (GDP)	The total market value of goods and services produced within the boundaries of a country within a specific period of time.
Growth, employment and redistribution (Gear)	A strategy to promote economic growth, increase employment and redistribute income.

KEY CONCEPT	DEFINITION/DESCRIPTION
Indigenous knowledge systems	A complex set of knowledge, skills and technologies that exist and have been developed around specific conditions in populations and communities indigenous to a particular geographic area.
	Traditional, local knowledge and technologies that developed over time around specific conditions by communities living in a particular geographic area
Infant mortality	Death rate during the first year of life
Infrastructure	The basic facilities which directly benefit the process of production and distribution in an economy e.g. roads, railways, telecommunication systems, waterways, airways, financial institutions, electricity, water supply etc.
Joint initiative on Priority Skills acquisition (JIPSA)	An initiative to aid the development of urgently needed skills to facilitate job creation.
National Growth Path (NGP)	Initiatives to stimulate economic growth.
Per capita income	a measure of the amount of money earned per person in a nation or geographic region/It is calculated by dividing the country's national income by its population.
Poverty	A state or condition in which a person or community lacks the financial resources and essentials for a minimum standard of living/The income level from employment is so low that basic human needs can't be met.
Reconstruction and Development Programme (RDP)	A development policy to improve service delivery to the poor and create an environment for human development
Standard of living	The material well-being of the average person in a given population. It is typically measured using gross domestic product (GDP) per capita.
Strategy	A plan of action designed to achieve a particular goal.
Unemployment	Occurs when a person who is actively searching for employment is unable to find work.

<u>A comparison between economic growth and economic development</u>

- Economic growth is a sustained increase in the GDP of a country. It is also refers to an increase in the productive capacity of an economy over time. It is a change in the real GDP.
- Economic development is an increase in the overall living standard of all people in a country. It is measured using gross domestic product (GDP) per capita.

<u>Common characteristics of developing countries</u>:

- **Low per capita real income** – developing countries suffer from low per capita real income level, which results in low savings and low investments. It means the average person doesn't earn enough money to invest or save money. They spend whatever they make.
- **Low standard of living** in developing countries due to low income that results in poverty, inadequate housing, poor health, limited education and training, high infant mortality and low life expectancy.

- **Low levels of productivity** due to lack of skills, particularly in areas such as science and technology. Conditions such as poor health, poor nutrition, lack of education and training can also be a cause of low labour productivity.
- **High population growth and dependency burdens** – the population growth rate in developing countries is high with many people who are unemployed. The few who are working take care of the unemployed ones.
- **High levels of unemployment** due to very few opportunities which are available for the large number of unemployed people.
- **Dependence on the primary sector** – the vast majority of people in less developed countries live and work in rural areas. Although agriculture is a dominant sector in many developing countries, it is characterised by low levels of productivity. Exports in primary sector make up more than the exports of manufactured and service goods in developing countries.
- **Deficient infrastructure** – some of the areas in developing countries are not accessible due to the poor conditions of the roads and bridges. Inadequate railways, low gas and electricity production, poor housing and educational and public health care facilities also work against development.

<u>The strategies to increase economic development:</u>

- **Entrepreneurship -** an increase in the number of businesses in the country which can create more job opportunities. More businesses from local and abroad should be attracted. Various incentives and funding of small and medium businesses should be used to encourage entrepreneurial development.
- **Community skills development -** building community capacity by developing skills for community which will be able to provide for their own needs without relying too much on the government.
- **Natural resources -** effective use of the natural resources of the country is important.
- **Human resource -** education and training should be used to improve the quality and quantity of a country's labour force. Improvement in healthcare and nutrition can help to improve the quality of the labour force.
- **Capital -** to increase investment in capital goods is essential. Economic development is possible if the local government promotes direct investment. Foreign funding can also be used to finance projects and capital goods.
- **Technological developments and improvements** which affect productivity positively. An emphasis on science and technology, managing technological products and resources and strategic planning are important for development.

<u>South Africa's endeavours</u>:

Reconstruction and development (RDP)

- The main strategy was to alleviate poverty and address the inequalities and shortfalls in social services by focusing on job creation, welfare, housing, transport, land reform, healthcare, education, training, water and sanitation.
- Evaluation thus far:
  - Meeting basic needs: government creates an increased demand for goods and services.
  - The expanded public works programmes were mostly labour intensive. This helped alleviate unemployment and poverty slightly.
  - Some social achievements: building houses, providing clean water, electrification, land reform, and healthcare.

- Real GDP growth erratic since 1994, unemployment in formal sector increased.
- Key objectives of poverty reduction and improved service delivery hardly successful

Growth, Employment and Redistribution programme (GEAR)

- The main strategy was to strengthen economic development, redistribute income and create socio-economic opportunities for the poor.
- Evaluation thus far:
  - Mixed outcomes.
  - Brought greater financial discipline and macroeconomic stability.
  - Real reduction in fiscal deficit (less than 3% in terms of international benchmarks).
  - Inflation has dropped mostly to within inflation targets.
  - Foreign exchange reserves increased in most regards.
  - Failure to create sustainable job opportunities.
  - Failure to redistribute wealth more evenly.

The joint initiative on priority skills acquisition (JIPSA)

- It is the skills development arm of ASGISA. Focus is on skills development, especially through the SETAS.

The accelerated and shared growth initiative for South Africa (AsgiSA)

- Its objective is to co-ordinate government initiative to create economic development:
- The key elements are:
  - Halve unemployment and poverty by 2014.
  - Accelerate economic growth to an average of 6% between 2010 and 2014.
- Evaluation thus far:
  - Growth in infrastructure investment, especially in the public sector.
  - Employment growth has lagged behind economic growth – reason real wage increases are higher than productivity.
  - The second economic strategy helped slightly to reduce unemployment through the Expanded public Works Programme.
  - Poor economic growth and high unemployment for the youth.

National Skills Development Strategy (NSDS)

- The Skills Development Act (1998) provides a framework for skills development in the workplace.
- Skills development has been identified as a key requirement for economic empowerment of the previously disadvantaged.
- The Skills Levy Act (1998) provides for the payment of levies by employers and the establishment of Sectoral Education and Training to administer the funds of the scheme and manage the skills development process.

Financing Entrepreneurship Promotion Programmes

- Entrepreneurship promotion programmes exist, which outline how the government intends to support local entrepreneurs.
- Some local businesses have the potential to solve some socioeconomic problems in rural areas, but they need financial support.
- There are institutions that assist local entrepreneurs such as Isivande Women's Fund, National Empowerment Fund, South African Micro-Finance Apex Fund, Business Partners Ltd.

<u>The importance of indigenous knowledge systems (IKS)</u>:

- IKS is important for economic development – IKS is important in key areas such as agriculture, animal husbandry, primary health care, saving, lending, community development and poverty alleviation.
- IKS is relevant for developmental processes – it is important for local communities in which the bearers for such knowledge live and produce. It must be recognised, valued, appreciated by those who want to interact with local communities for development purposes.
- IKS serves as a basis for problem-solving strategies for local communities – it addresses many problems that concern local people such as local pest and weed problems, indigenous soil fertility practices, and innovative ways in which local people collect water. Some of these problems cannot be addressed by scientific research.
- IKS is important for both local communities and the global economy – the impact and sustainability of international practices could be more effective if they adapted to local conditions and indigenous practices.
- IKS is part of the lives of the rural poor – the lives of the rural poor depend on specific skills and knowledge essential for their survival.
- Indigenous knowledge systems can make a significant contribution to sustainable development through conservation and sustainable use of biodiversity. A clear need to strengthen indigenous knowledge practices and cultures by protecting and recognising the value of such systems and preventing their loss has emerged.
- Indigenous knowledge can help to meet the broader objectives of society, for instance conserving the environment, developing sustainable agriculture and ensuring food security, while its protection encourages the maintenance of traditional practices and lifestyles.

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.

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

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 Human Development Index (HDI) measures the level of economic …… of all countries of the world.
- A development
- B growth
- C importance
- D growth

1.1.2 The … is used to measure the standard of living in a country.
- A level of per capita income
- B inflation level
- C balance of payments
- D circular flow

1.1.3 The Millennium Development Goals included …
- A better higher education.
- B reducing child mortality.
- C promoting better skills among youth.
- D lowering interest rates.

1.1.4 The standard of living of a population is best described by the ...
- A per capita income.
- B low economic growth.
- C a decrease in expenditure.
- D secondary education.

1.1.5 The nationwide government intervention plan to create employment for the poor and vulnerable is called the ...
- A Industrial Policy Action Plan.
- B Affirmative Action.
- C Expanded Public Works Programme.
- D Black Economic Empowerment (BEE).

1.1.6 … measures the economic growth in percentage from one period to another.
- A Real economic growth rate
- B Economic growth rate
- C Inflation rate
- D GDI

1.1.7 The acronym RDP stands for …
- A Rural Development Programme.
- B Road Development Project.
- C Reconstruction and Development Programme.
- D Reconstruction and Development Project

1.1.8 This programme was implemented in 1994 to address the socio-economic problems brought about by the policies of the previous government.
A HDI
B RDP
C Jipsa
D NGP

1.1.9 Purpose built. Industrial estates in South-Africa, which are exempted from import duties known as a/an
A SDI
B IMS
C IAP
D IDZ

1.1.10 The most important asset of a country is …… resource.
A capital
B human
C natural
D financial

1.1.11 Which indicator is used by the World Bank to measure the level of economic development?
A life expectancy at birth
B adult literacy rate
C infant mortality rate
D Gross National Income

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 Indigenous knowledge	A Measures the level of development of countries)
	B Include protection, sanitation and water
1.2.2 Population growth	C Unique practices of locals in a given culture or society
1.2.3 Per capita GDP	D A measure of standard of living
1.2.4 Human Development Index	E A trade agreement between a group of emerging markets
1.2.5 Productivity	F A policy aimed to increase the ownership of agricultural land to black people in the economy
1.2.6 Land redistribution program	G The change in the number of people in a country over time
1.2.7 DBSA	H This institution was established in 1983 to promote economic development in Southern Africa.
1.2.8 BRICS	I Measures the level of development of countries
1.2.9 Community service	J A program in which government funding is invested in infrastructure development and educational skills development
1.2.10 Poverty	K The estimated minimum level of income needed to secure the necessities of life
1.2.11 Capital	L A vocational skills training organisation in South Africa
1.2.12 SETA	M Not wanted for itself but for its ability to help in producing other goods
1.2.13 AsgiSA	

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, acronym or examples will be accepted.*

1.3.1 Returning land to people from whom it was forcibly taken
1.3.2 Income per member of the population of a country
1.3.3 The knowledge that is unique to a given culture or community
1.3.4 A statistic used to rank countries by level of human development in terms of set criteria
1.3.5 A country with a low level of material well-being

1.3.6 Implies an increase in the standard of living of the entire population
1.3.7 The health function, to provide basic health services to the community as a whole
1.3.8 Relationship between the quantity of output and quantity of input
1.3.9 The number of children and elderly people to be financially supported by households in a country
1.3.10 Implementing programs whereby current needs are met without endangering resources for future needs
1.3.11 Launched in 2006 to address the country's chronic unemployment problem and skill shortages
1.3.12 A program in which government funding is invested in infrastructure development and education skills development

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. These types of questions are applicable for 2.1.1, 3.1.1 and 4.1.1

2.1 List any TWO 'development strategies'. (2 x 1) (2)
2.2 List TWO groups of people that are marginalised in South Africa (2 x 1) (2)
2.3 List the TWO aims/purposes of government's intervention in the economy (2 x 1)(2)
2.4 Mention any TWO uses of per capita GDP. (2 x 1) (2).
2.5 List any TWO development policies that where implemented in South Africa since 1994 (2 x 1) (2)
2.6 In what TWO ways can a country ensure the promotion of quality human resources? (2 x 1) (2)
2.7 State any TWO characteristics of developing countries. (2 x 1) (2)
2.8 Name any TWO of South Africa's developmental endeavours. (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 do you think the government should spend more on infrastructure development? (1 x 2) (2)
3.2 What impact does the Expanded Public Works Programme have on your local community? (1 x 2) (2)
3.3 How can technology accelerate economic development in South Africa? (1 x 2) (2)
3.4 How important is an efficient infrastructure for the economy? (1 x 2) (2)
3.5 How is the standard of living in a country determined? (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 and answer the questions that follow

4.1.1 What is depicted in the cartoon above? (1)
4.1.2 What is the age of the economically active population in South Africa? (1)
4.1.3 What is the greatest threat to labour in South Africa? (2)
4.1.4 How do nominal wages differ from real wages? (2)
4.1.5 Why do developing countries have a large supply of unskilled workers? (2 X 2) (4)

4.2 Study the information and answer the questions that follow

EDUCATION STASTISTICS FOR SOUTH AFRICA

Education indicator	Percentage	Effects on wealth creation
Enrolment in secondary school	57% of total possible	Almost half of the population does not get to matric – less likely to become employed
Enrolment in tertiary education	15%	Severe lack of degrees and diplomas impacts on skilled workforce – negative impact on human capital
Literacy rate	88%	Almost 12 % of the population cannot read or write – few job prospects.

[Source https://en .m wikipedia.org]

4.2.1 What percentage is the enrolment in secondary education? (1)
4.2.2 What impact does the literacy rate have on wealth? (1)
4.2.3 What has led to the low enrolment in tertiary education? (2
4.2.4 Explain how lack of education can lead to a low standard of living. (2)
4.2.5 How should higher education inequalities be addressed to improve the standard of living of South Africa? (4)

4.3 Read the extract and answer the questions that follow

THE NATIONAL DEVELOPMENT PLAN IS OBVIOUSLY THE BEST EVER DEVELOPMENT STATEMENT IT WILL SURELY BENEFIT THE SOUTH AFRICAN ECONOMY

Though the NPD, just like GEAR, NSDS, NGP, which outlines a plan to address issues in SA, is not perfect, it provides a road map to where government would like us to be in 2030. The NDP provides an opportunity for South Africans to work together to confront our challenges and build a better future for ourselves and future generations.

[Adapted from *NDP* and *Mail & Guardian*, February 2015]

4.3.1 Identify ONE previous strategy in the information above that was used to improve economic growth in South Africa. (1)
4.3.2 List ONE characteristic of developing countries. (1)
4.3.3 What is the main aim of the NDP? (2)
4.3.4 What negative impact will the implementation of the NDP have on taxpayers? (2)
4.3.5 How successful will the implementation of the NDP be in the South African economy? (2 x 2) (4)

4.4 Read the extract below and answer the questions that follow:

Government's great plans disappeared

Johannesburg – The implementation of several great plans by the government have disappeared "like dew in the morning sun" and the NDP 2030 faces the same fate, the IFP Brigade said at a press briefing.

South Africa has been down the road of grand plans and ideas before, "Inkhatha Freedom Party Youth Brigade chairman said at the NDP Indaba in Umhlanga, Kwazulu-Natal.

"Since 1994 great plans have been mooted, but their implementation has never seen the light of day," he said. He said the GEAR plan was progressive but dis-appeared "like dew in the morning sun". "The same fate befell AsgiSA. In simi-lar fashion, the youth wage subsidy also walked the plank"

SOURCE: https://www.iol.co.za/news/politics/governments-great-plans-have-disappeared-1766794

4.4.1 Identify the policy in the extract that was implemented in 2006 to address the country's chronic problem of unemployment and skills shortage (1)
4.4.2 What does the Acronym AsgiSA stand for? (1)
4.4.3 Briefly describe the term *economic development*. (2)
4.4.4 What is the main aim of the NDP? (2)
4.4.5 How can South Africa realise the main aim in NDP identified above? (4)

4.5 Study the extract and answer the questions that follow

PROTECTING INDIGENOUS KNOWLEDGE SYSTEMS

Female traditional leaders in South Africa implement a strategy aimed at improving the lives of rural communities through the management of indigenous knowledge systems and sustainable use of natural resources with nutritional and medicinal value.

Urban dwellers are already flocking to rural areas to look for herbs with medicinal and nutritional properties that may suppress the impact of HIV/AIDS related illnesses. The over-harvesting of the African potato serves as a prime example of the threat of indigenous plants.
Wild plants are used to treat many health problems, including coughs, headaches, and to heal wounds.

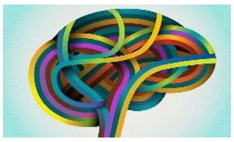
[Source: *www.africahistory.net*]

4.5.1 Why do female traditional healers implement a strategy for management of indigenous knowledge systems? (1)
4.5.2 Name a health-related problem that can be cured by extracts of wild plants. (1)
4.5.3 Describe the term *indigenous knowledge system (IKS)*. (2)
4.5.4 Explain the importance of indigenous knowledge systems as part of local community development. (2)
4.5.5 Why does the government implement policies to protect and promote indigenous knowledge systems? (4)

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 Differentiate between a developing economy and a developed economy (8)
5.2 Differentiate between economic growth and economic development. (8)
5.3 Explain *low life expectancy* and *lack of education* as the characteristics of developing country. (8)
5.4 Discuss the objectives of GEAR. (8)
5.5 Discuss the aims of *Small Enterprise Development Agencies (SEDA)* and the *National Skills Development Strategy (NSDS*) as strategies for development. (8)
5.6 Discuss 'low levels of productivity' as one of the characteristics of developing countries. (8)
5.7 Briefly explain any TWO elements of Indigenous Knowledge Systems. (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 Examine the impact of high population growth on a developing economy such as South Africa. (8)
6.2 Why is South Africa regarded as a developing economy? (8)
6.3 How can investment in social (human) capital improve economic development in South Africa? (8)

6.4 How does the South African government promote indigenous knowledge systems? (8)

6.5 Analyse the standard of living and low levels of productivity as characteristics of developing countries. (8)

6.6 Why are indigenous knowledge systems important for local communities? (8)

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:

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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

- Critically analyse the following developmental strategies used in support of the development of countries.
  - Human resources
  - Natural resources
  - Technology (26 marks)
- Why are Indigenous Knowledge Systems (IKS) important for the economic development of a country? (10 marks)

[40]

QUESTION 8

- Discuss in detail the characteristics of developing countries. (26)
- Explain income inequality with the aid of a graph, making specific reference to SA in your answer. (10)

[40]

QUESTION 9

- Discuss characteristics of developing countries. (26 marks)
- How have basic services, such as health and welfare, improved in South Africa? (10 marks)

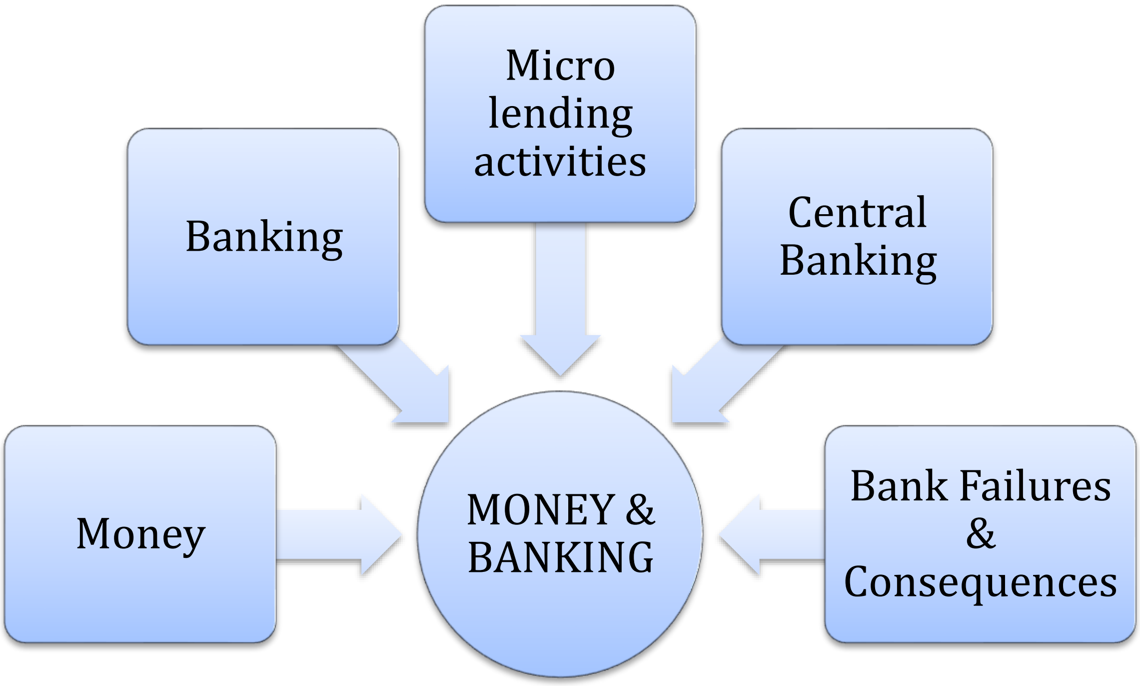
[40]

QUESTION 10

- Discuss the methods used to increase economic growth in detail. (26 marks)
- How can human and natural resources be used to ensure economic development? (10 marks)

[40]

MIND MAP



KEY CONCEPTS	DESCRIPTION / DEFINITION
Fiat currencies	A medium of exchange whose value derives entirely from its official status as a means of payment.
Prime lending rates	The rate at which banks charges the general public when money is borrowed by the public.
Micro-lending	Is a financial innovation made possible by technology and the peer to peer economy.
Repo rate	The rate at which commercial banks are charged by reserve bank when they borrow money.
Money associated instruments	Credit cards, debit cards and electronic transfers.
Deflation	The decrease of the purchasing power of money.
Moral Persuasion	The South African Reserve Bank use it to convince banks to act in a way that is desirable in the current economic climate.
Monetary policy	The central banks use of changes in the quantity of money or the interest rates to stabilise the economy.
Inflation target	3-6% band
Central Bank	An institution that over -sees and regulates the banking sys-tem and controls the monetary base.
M1	Coins and bank notes in circulation plus cheque account.
M2	M1 plus short term and medium term deposits.
M3	M2 PLUS LONG TERM DEPOSITS.
Moral Persuasion	Used by the SARB to convince banks to act in a way that is desirable in the current economic climate

KEY CONCEPTS	DESCRIPTION / DEFINITION
***cash reserve ratio* (crr)**	that minimum percentage of deposits with the commercial banks which the commercial banks must keep with the central bank
Micro-lenders	The industry that lends small amounts to those who are una-ble to borrow from normal banks.
Capital markets	Financial institutions involved in long term investments
SARB	The body that regulates and supervises the banks
Money market	The market for short -term savings and loans
Foreign exchange markets / forex	This market include all the foreign exchange dealers, such as banks
Currency	Legal tender in the country of its origin.

SECTION A: TYPICAL EXAM QUESTIONS

QUESTION 1

MONEY AND BANKING

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 cor-rect. The answer will **NEVER** be two options. Only **ONE** option is correct. Your an-swer 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 Money is not…
A a medium of exchange
B a measure of value.
C real wealth
D a standard of future payment.

1.1.2 The total supply of money in the economy is known as…...
A M2
B M3
C M1
D M4

1.1.3 The … rate is the most important determinant of short-term interest rates.

A bank
B repo
C export
D import

1.1.4 The … makes all the coins on behalf of the central bank

A South African Reserve Bank
B South African Bank Note Company
C South African Mint Company
D South African Coin Makers

1.1.5 The key cause of inflation is increases in the … of money.

A supply
B demand
C value
D transfer

1.1.6 Which one of the following can NOT be done at an ATM

A coin deposit
B cash withdrawals
C inter account transfer
D notes deposit

1.1.7 An exchange rate system in which the price of a currency is determined by demand and supply is called … exchange rate system.

A free floating
B managed
C inflationary
D fiscal

1.1.8 A … occurs when a bank is unable to meet its obligations to its depositors or other creditors

A bank finance
B bad loan
C bank fraud
D bank failure

1.1.9 A reason for bank failure is ……..

A lower inflation rate
B upswing in the economy
C bad management of liquidity
D increase in interest rates

1.1.10 The … is a set of mechanism by which a government provides money (cash) in a country's economy.

A MPC
B monetary system
C fiscal system
D cash in transit

1.2 Choose a description from COLUMN B that matches the item in COLUMN 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 Fiat currencies 1.2.2 Prime lending rates 1.2.3 Repo rate 1.2.4 Micro-lending 1.2.5 Central Bank 1.2.6 Monetary policy 1.2.7 3-6% band 1.2.8 Moral Persuasion 1.2.9 Money associated instruments 1.2.10 Deflation	A. Financial innovation made possible by technology and the peer to peer economy. B. Money supply and interest rates are some of its instruments. C. Used by the SARB to convince banks to act in a way that is desirable in the current economic climate. D. The rate at which banks charges the general public when money is borrowed by the public. E. Notes and coins from a central bank such as the SARB in South Africa. F. SARBs inflation target. G. The rate at which commercial banks are charged by Reserve Bank when they borrow money. H An institution that manages a States currency, money supply and interest rates. I. The purchasing power of money will decrease. J. Credit cards and electronic transfers. K. Coins and bank notes. L. Assets such as money saved for future use.

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 Money that must be accepted by law as means of payments.
1.3.2 Giving loans to small businesses and low income earners.
1.3.3 The central bank of South Africa.
1.3.4 Measures of central banks to achieve economic objectives.
1.3.5 Bank rates at which banks borrow funds from the Reserve Bank.
1.3.6 Property given as a security for payment of a loan.
1.3.7 A legal proceeding involving a person or business that is unable to repay outstanding debts.
1.3.8 The most liquid money market instrument.

1.3.9 Used by the SARB to convince banks to act in a way that is desirable in the current economic climate.
1.3.10 Notes and coins from a central bank, such as the SARB in South Africa.
1.3.11 A type of negotiable instrument known as promissory note, made by a bank, payable to the bearer on demand.
1.3.12 Legal tender in the country of its origin.
1.3.13 The industry that lends small amounts to those who are unable to borrow from normal banks.
1.3.14 The Act that promotes fair and sustainable credit market.
1.3.15 Financial institutions involved in long term investments.
1.3.16 The lowest rate at which a bank will lend money to its best customers.
1.3.17 The body that regulates and supervises the banks.
1.3.18 The market for short -term savings and loans.
1.3.19 The most important function of banks.
1.3.20 This market include all the foreign exchange dealers, such as banks.

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 money associated instruments (2)
2.1.2 List any TWO functions of money (2)
2.1.3 Give the TWO forms of modern money (2)
2.1.4 List any TWO examples of credit instruments (2)
2.1.5 List TWO properties a commodity must have in order to serve as money. (2)
2.1.6 Name TWO aims of monetary policy. (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 that their answer addresses the question asked

3.1 How do credit cards contribute positively to the economy? (2)
3.2 How is Covid-19 impacting on the financial sector? (2)
3.3 How are short term borrowings made by the government from the central bank (2)
3.4 How effective is high interest as an “inflation fighter”? (2)
3.5 How does the SARB change the money supply? (2)
3.6 How do currency and coin enter the money supply? (2)
3.7 How will an increase in the quantity of money affect prices of goods and services and the value of money? (4)

QUESTION 4

DATA RESPONSE

4.1 **Study the picture below and answer the questions that follow:**

Source : google images

4.1.1 What is illustrated above that is put in place by SARB? (1)

4.1.2 Name any ONE secondary instrument used as a payment method in South Africa. (1)

4.1.3 Describe how does inflation affect money as a store of value. (4)

4.1.4 Discuss the aims of monetary policy (4)

4.2 Read the article below and answer the questions that follow:

[ALERT] RESERVE BANK CUTS REPO RATE BY 25 BASIS POINTS

The prime lending rate, which is the interest charged by banks to clients, is now at 10%. “The MPC decided to reduce the repurchase rate by 25 basis points to 6.5% with effect from 29 March 2018. Four members preferred a reduction while three members preferred an unchanged stance. “The 25 basis point cut had been expected by traders and economists, after a slowdown in consumer price inflation to 4.0% in February meant price growth was well within the central bank's 3-6% target range.

Lesetja Kganyago says risks to South Africa's inflation outlook have subsided somewhat since the bank's last monetary policy meeting in January and that the outlook for economic growth is more positive but still challenging. “The lack of compensation for fiscal drag, weak employment growth as well as by subdued growth in credit extension to households. While consumption expenditure is expected to grow at a slightly slower rate in 2018 compared to last year, the trend over the forecast period is moderately stronger than previously expected, reaching 2.1% in 2020.”The central bank last cut rates in July 2017, highlighting an improving inflation outlook, but warning of a slowdown in economic growth. Consumer inflation, which the bank uses as a guide for deciding rates, has remained within the bank's target of 3% to 6% for the past year and is expected to average 4.9% this year.

Source :Eyewitness News

4.2.1 What role does Mr Lesetja Kganyago play at the SARB currently? (1)
4.2.1 What is the current repo rate in South Africa? (1)
4.2.3 Briefly define the term *interest rate.* (2)
4.2.4 How will businesses be affected with the cutting repo rates by a few basis Points? (2)
4.2.5 Differentiate between the micro-lending industry and village financial services cooperatives. (4)

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

Never been costlier to take loans

High cost of small loans
Total current cost of credit on short-term credit transactions, as a percentage

AMOUNT OF INITIAL LOAN:	TOTAL COST OF CREDIT
R200 over one month 46% (R92)	Interest R10 + Initiation fee R32 + Monthly service fee R50
R500 over one month 31%	Interest R25 + Initiation fee R79 + Monthly service fee R50

New draft credit regulations could cause the cost of debt to skyrocket, hitting the poor the hardest. If implemented, these new costs will have a devastating effect on low income consumers.

[Source: *Mail & Guardian Business,* August 28 - September 3, 2015

4.3.1 Identify the cost responsible for the skyrocketing of small money loans? (1)
4.3.2 Name ONE cost that would remain constant. (1)
4.3.3 Calculate the total cost of credit for a R500 loan over one month. (2)
4.3.4 Describe the effect on the cost of the loan if the monthly service fee is removed? (2)
4.3.5 What impact will this high cost have on small money loans for low income earners?
2x2 4

4.4 Study the table below and answer the questions that follows:

SOUTH AFRICAN BANKS THAT HAVE FAILED

Bank	Year of curatorship	Reason
VBS Mutual Bank	2018	Poor management and liquidity problems
African Bank	2014	Poor management and liquidity problems, particularly around unsecured lending
Saambou Bank	2002	Poor management and liquidity problems
New Republic Bank	2002	Poor management and liquidity problems

4.4.1 Name TWO risks that banks face (2)
4.4.2 How does the South Africa Reserve bank deal bank failures? (2)
4.4.3 Who are the victims of bank failure? (2)
4.4.4 Briefly explain *medium of exchange* and *measure of value* as functions of money 2x2 (4)

4.5 Study the cartoon below and answer the questions that follow:

MONETARY POLICY COMMITTEE CUTS REPURCHASE (REPO) RATE

[Adapted from https://images.app.goo.gl]

4.5.1 Name the central bank in South Africa (1)
4.5.2 Mention any other instrument used in monetary policy, besides interest rates (1)
4.5.3 Briefly describe the term *repurchase rate.* (2)
4.5.4 Briefly explain government's banker as a function of the central bank. (2)
4.5.5 How will a cut in interest rates influence consumer spending?2x2 (4)

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

MONEY AND BANKING IN SOUTH AFRICA

4.6.1 Name any TWO major banks in South Africa according to this picture 2
4.6.2 Mention a value-added service provided by banks 2
4.6.3 Explain why money can retain its value over a long time 2
4.6.4 What are the basic principles of credit creation by banks 4

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

Notes and coins in circulation outside the banking sector:	R140 million
Demand deposits:	R980 million
M3 money supply:	R3000 million
Long – term deposits:	R800 million

4.7.1 Name ONE financial intuitions which deals with coins (1)
4.7.2 Use the information above to calculate the value of M1 (1)
4.7.3 Briefly explain the term endogenous money (2)
4.7.4 Discuss the basic function of a financial intermediary (2)
4.7.5 Explain what a security is and why it is created (4)

4.8 Study the cartoon below and answer the questions that follow:

SOURCE:GOOGLE IMAGES

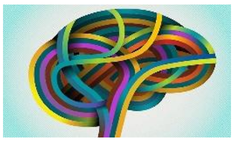
4.8.1 Who is crying for help in the cartoon above? (1)
4.8.2 Name one essential function of a bank (1)
4.8.3 Briefly explain the term *cash reserve ratio.* (2)
4.8.4 What is an overdraft facility? (2)
4.8.5 Discuss the advantages of e-banking. (4)

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

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

5.1 Discuss money as a *medium of exchange* and a *store of value*. 2x4 (8)
5.2 Discuss the quantity theory of money (8)
5.3 Discuss the success of the establishment of the Micro Finance Regulatory council (MFRC). (8)
5.4 Why would there be so many different rates of interest existing at the same time? (8)
5.5 Distinguish between direct and indirect financing (8)
5.6 Explain why money will not be a good measure to preserve wealth during periods of inflation. (8)
5.7 Explain with the aid of a diagram the role of banks in the money creation process. (8)
5.8 Briefly discuss qualities of money. (8)

QUESTION 6



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.***

Paragraph type questions – Higher cognitive

6.1. How can the government stabilize the value of money in a country? (8)
6.2. Analyse the consequences of bank failures (8)
6.3. Analyse the instruments that the SARB has available to influence the liquidity deficit of the banking sector. (8)
6.3. Analyse the role of the SARB in maintaining financial stability (8)
6.4 How and why the central bank can influence the money supply? (8)
6.5 How can banks influence economic growth? (8)
6.6 Explain with the aid of a diagram why the SARB may decide to increase the repo rate. How this increase in the repo rate affect the money market? (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.

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 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/ 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: ECONOMIC PURSUITS 40 MARKS – 40 MINUTES

.

- Discuss the main functions of the SARB. (26 marks)
- What causes bank failures? (10 marks)

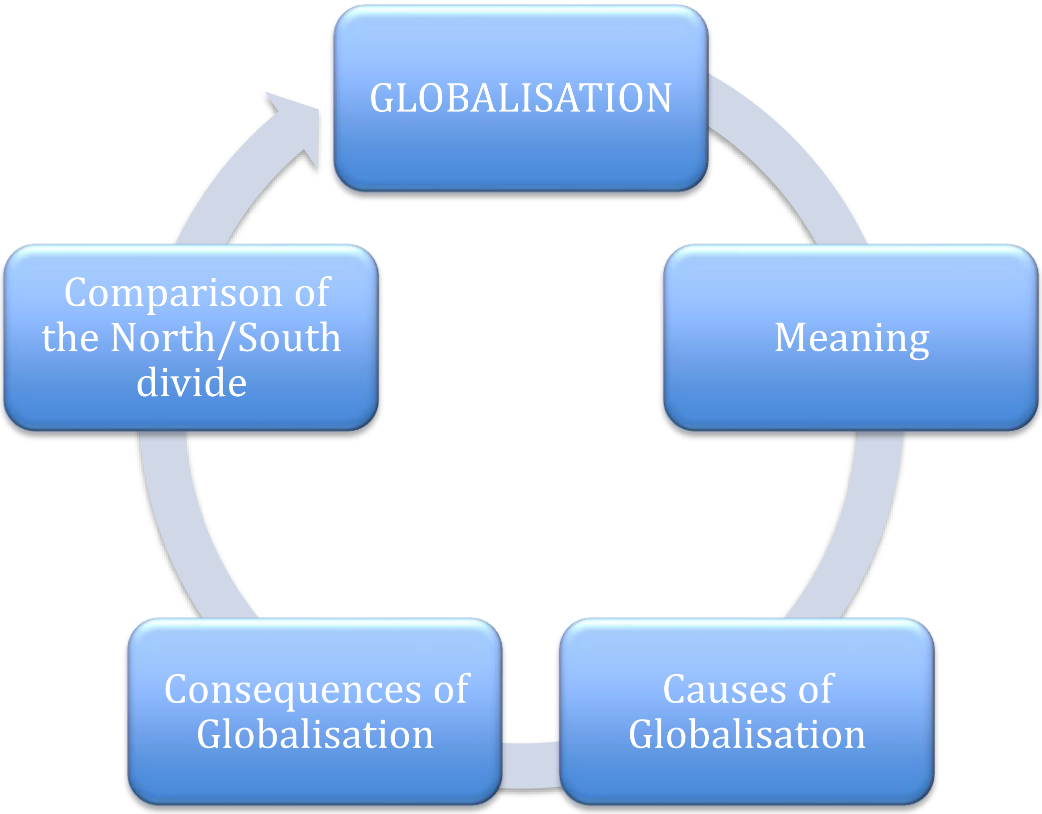
[40]

QUESTION 7: ECONOMIC PURSUITS 40 MARKS – 40 MINUTES

Discuss the functions of the South African Reserve Bank under the following headings:

- ➢ Government's banker (8)
- ➢ Bank of issue (8)
- ➢ Banker's bank (10) (26 marks)

- How will the Governor of the Reserve Bank use monetary policy to influence the quantity of money of a country? (10 marks)



KEY CONCEPTS

TERM / CONCEPT	BREIF DESCRIPTION/ DEFINITION
Absolute advantage	A scenario where a country produces a product more efficiently than others
African continental Free Trade Area	The newly formed trade block for African countries, to boost trade between African countries
Economic integration	Trade unification between different states by partial or full abolishing of customs and tariffs on trade
Foreign Direct investment	A form of investment where a foreign company invests in a business in the form of buildings, machines and equipment
Free Trade	The trading of goods and services between countries with less red tape
Free Trade Area	Countries remove all trade barriers among themselves on goods and services traded.
G 20	The group of the first twenty most industrialised countries
Globalisation	A process where the economies of countries become more connected to one another
Integration	A grouping of countries to get more control over the global economy
Internationalisation	The extension of economic activities across national boundaries.
Multinational corporations	International businesses that produce goods and services in several countries
Multinational Enterprises	Businesses that are producing goods or services in more than one country.
Quota/s	Limit the quantity of a product that can be imported /

TERM / CONCEPT	BREIF DESCRIPTION/ DEFINITION
	Limits the quantity of a product that can be imported into a country
Regionalisation	A process whereby countries decide to cooperate economically
The World Bank	It works to standardise economic development and measuring of development.
Trade Block	A grouping of countries to get more control over the global economy

SECTION A

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 Which of the following is not an element of trade?
- A. Communication
- B. Production
- C. Consumption
- D. Logistics

1.1.2 FDI moves physical … between countries.
- A. Technology
- B. Capital
- C. Resources
- D. Goods

1.1.3 International trade agreements disputes are mediated by the …
- A. UN
- B. WTO
- C. IMF
- D. WHO

1.1.4 Because of lower wages developing countries have a/an … advantage in respect of globalisation.
- A. Comparative
- B. Relative
- C. Absolute
- D. Marginal

1.1.5 Which of the following countries is not a member of BRICS?
- A. Botswana
- B. Russia
- C. India
- D. China

1.1.6 For trade to take place, … elements need to come together.
A. 2
B. 3
C. 4
D. 5

1.1.7 In spite of globalisation, poverty in developing countries …
A. has declined
B. remain unchanged
C. has increased
D. has been eradicated

1.1.8 The trade disputes between rich and poor countries revolve around subsidies on ...
A. Tourism
B. Technology
C. Communication
D. Agriculture

1.1.9 Africa is seen as part of the …
A. developed world
B. North divide
C. first world
D. developing world

1.1.10 This institution is responsible for assisting countries with balance of payment deficits.
A. ILO
B. World Bank
C. IMF
D. WTO

1.1.11 What is a multinational corporation
A. It is situated north of the equator
B. It sells products in several countries
C. It forms multilateral agreements
D. It is owned and controlled by the state.

1.1.12 Export promotion refers to ...
A production of goods previously imported.
B subsidising producers to produce more for exports.
C removing trade restrictions.
D making trade rules the same all over the world

11.13 A country that is a member of the G8 is …
A South Africa.
B France.
C Nigeria.
D India.

1.1.14 The institution responsible for supporting countries with balance of payments losses, is the

A ILO.
B World Bank
C SARB
D IMF

1.1.15 Trade liberalisation refers to …

A the free movement of goods and services.
B the free movement of people.
C the establishment of trade barriers between South Africa and the rest of the world
D import and export restrictions

1.1.16 Increased co-operation between countries results in the formation of …

A trade blocks.
B building blocks.
C banking blocks.
D business blocks

1.1.17 The process of interaction among the countries of the world to bring their economies closer together is called ...

A globalisation.
B industrialisation.
C containerisation.
D liberation (17x 2) (34)

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 – 1.2.6) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Capital liberalisation	A. An organisation that initiated trade liberalisation.
1.2.2 IMF	B. Removal of exchange and investment controls
1.2.3 Internationalisation	C. Trade is an important element.
1.2.4 Globalisation	D. Removal of restrictions such as tariffs and quotas.
1.2.5 GATT	E. Extension of economic activities across national borders.
1.2.6 Absolute advantage	F. A country can produce the same output at a lower resource input than another country.
	G. Standardise trade, BOP and exchange rates, international lending and borrowing.
	H. A country can produce more output with the same input than another country

(6 x 1)

HINT: Learners must know their concepts well, as this will assist in a better under-standing 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 The extension of economic activities across national boundaries.
1.3.2 Businesses that are producing goods or services in more than one country.
1.3.3 Trade unification between different states by partial or full abolishing of customs and tariffs on trade.
1.3.4 The group of the first twenty most industrialised countries.
1.3.5 It works to standardise economic development and measuring of development.
1.3.6 Countries remove all trade barriers among themselves on goods and services traded.
1.3.7 Limits the quantity of a product that can be imported into a country.
1.3.8 International businesses that produce goods and services in several countries
1.3.9 The trading of goods and services between countries with less red tape
1.3.10 A scenario where a country produces a product more efficiently than others
1.3.11 A process where the economies of countries become more connected to one another
1.3.12 A grouping of countries to get more control over the global economy
1.3.13 A process whereby countries decide to cooperate economically
1.3.14 A grouping of countries to get more control over the global economy
1.3.15 A form of investment where a foreign company invests in a business in the form of buildings, machines and equipment
1.3.16 Limit the quantity of a product that can be imported
1.3.17 A government imposed trade restriction that limits the number, or monetary value, of goods that can be imported or exported during a particular time period
1.3.18 The newly formed trade block for African countries, to boost trade between African countries.

(18 x 1) (18)

SECTION B
QUESTION 2

2.1	State two characteristics of internationalisation.	(2 x 1)
2.2	Name any TWO member countries of BRICS.	(2 x 1)
2.3	Name any TWO Multinational Enterprises.	(2 x 1)
2.4	List any TWO territorial divisions of the world.	(2 x 1)
2.5	State any TWO key structures of trade.	(2 x 1)
2.6	Give any TWO elements of globalisation.	(2 x 1)
2.7	Mention TWO major divisions of the global economy.	(2 x 1)
2.8	Give any TWO member states of the SADC region.	(2 x 1)
2.9	List any TWO causes of globalisation	(2 x 1)
2.10	List any TWO positive consequences of globalisation.	(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

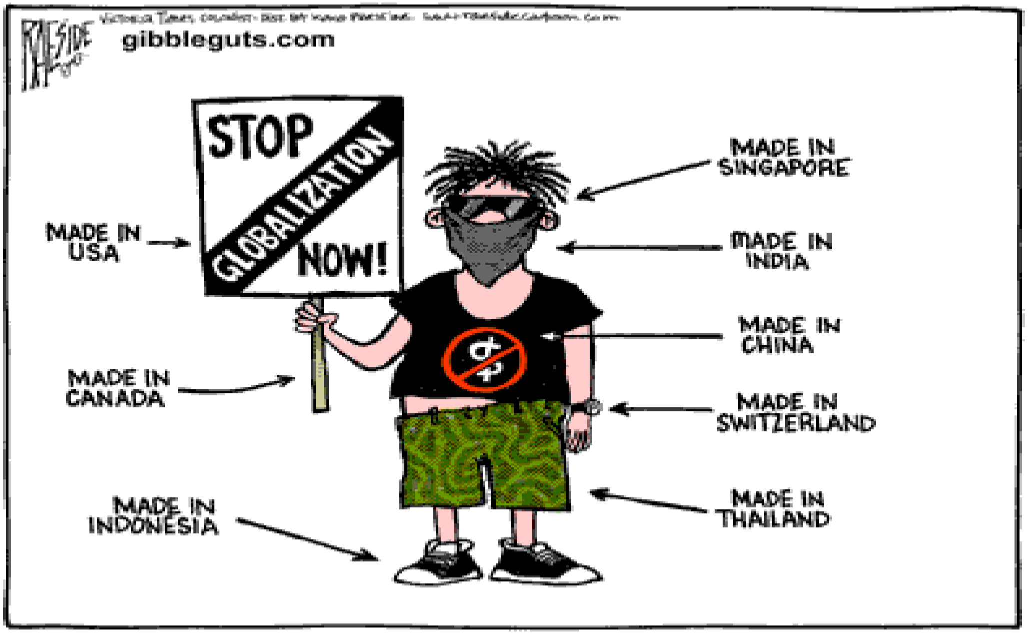
3.1 What is internationalisation. (1 x 2)
3.2 Define the term globalisation. (1 x 2)
3.3 Why is it beneficial for countries to engage in free trade? (1 x 2)
3.4 What is the purpose of AfCFTA? (1 x 2)

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.

QUESTION 4 **Data response**

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

Raeside Cartoon From Gibbleguts.com



4.1.1 What is the message of the cartoon? (1)
4.1.2 State ONE negative impact of globalisation (1)
4.1.3 Define the term *globalisation*. (2)
4.1.4 According to the cartoon, why should globalization be stopped? (2)
4.1.5 What will be the impact of stopping globalization on South African's economy? (4)

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

INTERNATIONAL TRADE JOURNEY

Your product is already popular in the domestic market, so now you are thinking about going international. Where do you start? These are the questions one hears from people starting their international journey. It is common for teams to underestimate the complexity of going international which leads to delays, over spending and epic fails. It is crucial to select regions for international expansion in some priority order instead of picking them based on gut feeling.

Source: blog.usejournal.com

4.2.1 What is the above extract about? (1)

4.2.2 State the first step international businesses take when establishing themselves. (1)

4.2.3 Describe the term *economic integration*. (2)

4.2.4 Briefly explain increased quantities as a characteristic of internationalisation. (2)

4.2.5 Differentiate between globalisation and internationalisation. (4)

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

4.3.1 What is the message of the picture? (1)

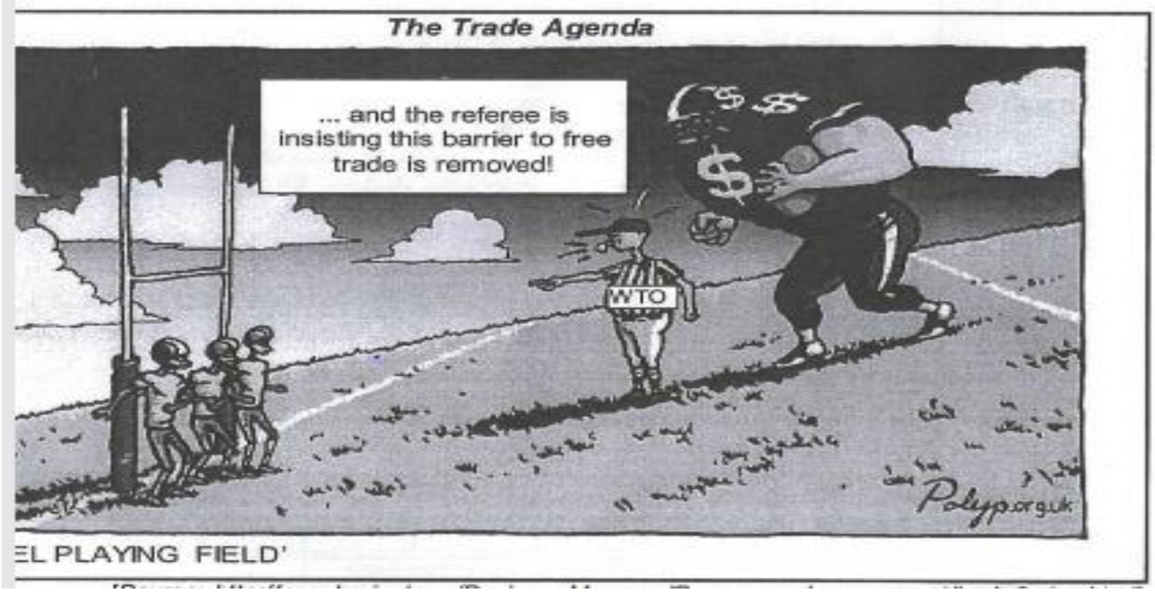
4.3.2 Which group of countries cause pollution? (1)

4.3.3 Describe the term *global warming*. (2)

4.3.4 Why are developing countries more affected by climate change than industrialised nations? (2)

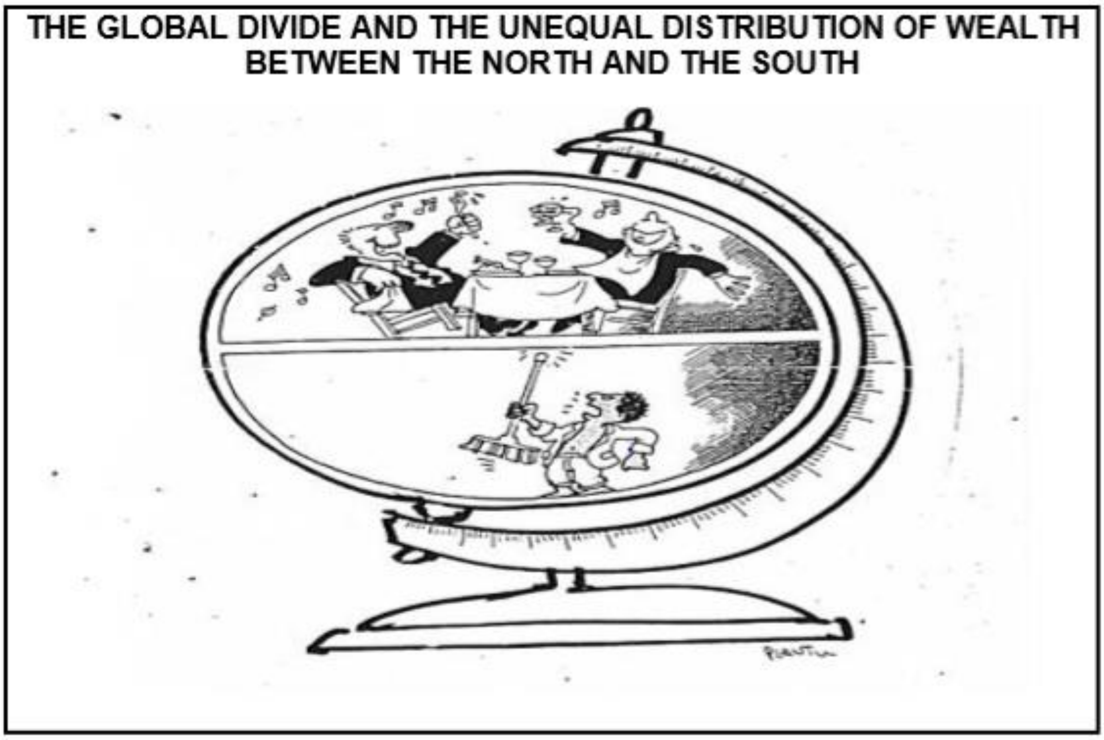
4.3.5 Explain the impact of the actions of industrialised nations on developing countries. (4)

4.4 Study the cartoon below and answer the questions that follow



4.4.1 Name ONE main function of the World Trade Organisation (WTO) (1)
4.4.2 Why is the USA regarded as a first world country? (1)
4.4.3 Briefly describe the term free *trade.* (2)
4.4.4 Why are trade barriers bad for the economy of a country? (2)
4.4.5 What do countries stand to gain from a free trade policy? (4)

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



4.5.1 What does the above picture represent? (1)
4.5.2 From the above picture, which part of the globe represent developing countries? (1)
4.5.3 Briefly describe the term *wealth*. (2)
4.5.4 Differentiate between countries in the North and countries in the South in terms of levels of education. (2)
4.5.5 What are the positive effects of globalisation on South Africa? (4)

4.6 Study the cartoon below and answer the questions that follow:

Source: Adapted from Internet Images

4.6.1 Explain the economic message portrayed by the cartoon above. (1)
4.6.2 From the cartoon, name the continent that is in the hands of the short man. (1)
4.6.3 Name TWO institutions established to manage the flow of trade between countries. (2)
4.6.4 Explain the effect of globalisation on the developing countries. (2)
4.6.5 Which factors contributed to the above scenario? (2 x 2) (4)

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

[Source: graceatelmberg.wordpress.com/2011/12/05/globalization-part-2-political-cartoons]

4.7.1 What is globalisation (1)
4.7.2 Does globalisation benefit all countries? (1)
4.7.3 Briefly describe the concept *free trade*. (2)
4.7.4 Discuss any negative impact of free trade according to the cartoon. (2)
4.7.5 Describe the role of the WTO. (2 x 2) (4)

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

TRADE LIBERALISATION

[Source: www.cartoonstock.com]

4.8.1 Which economic concept can be associated with the phrase ‘The world is round, we’ll get there’? (1)
4.8.2 What does the abbreviation WTO stand for? (1)
4.8.3 Briefly explain the concept *free trade*. (2)
4.8.4 Explain the relationship between comparative advantage and free trade. (2)
4.8.5 What do countries stand to gain from a free trade policy? (4)

4.9 Study the following and answer the questions that follow

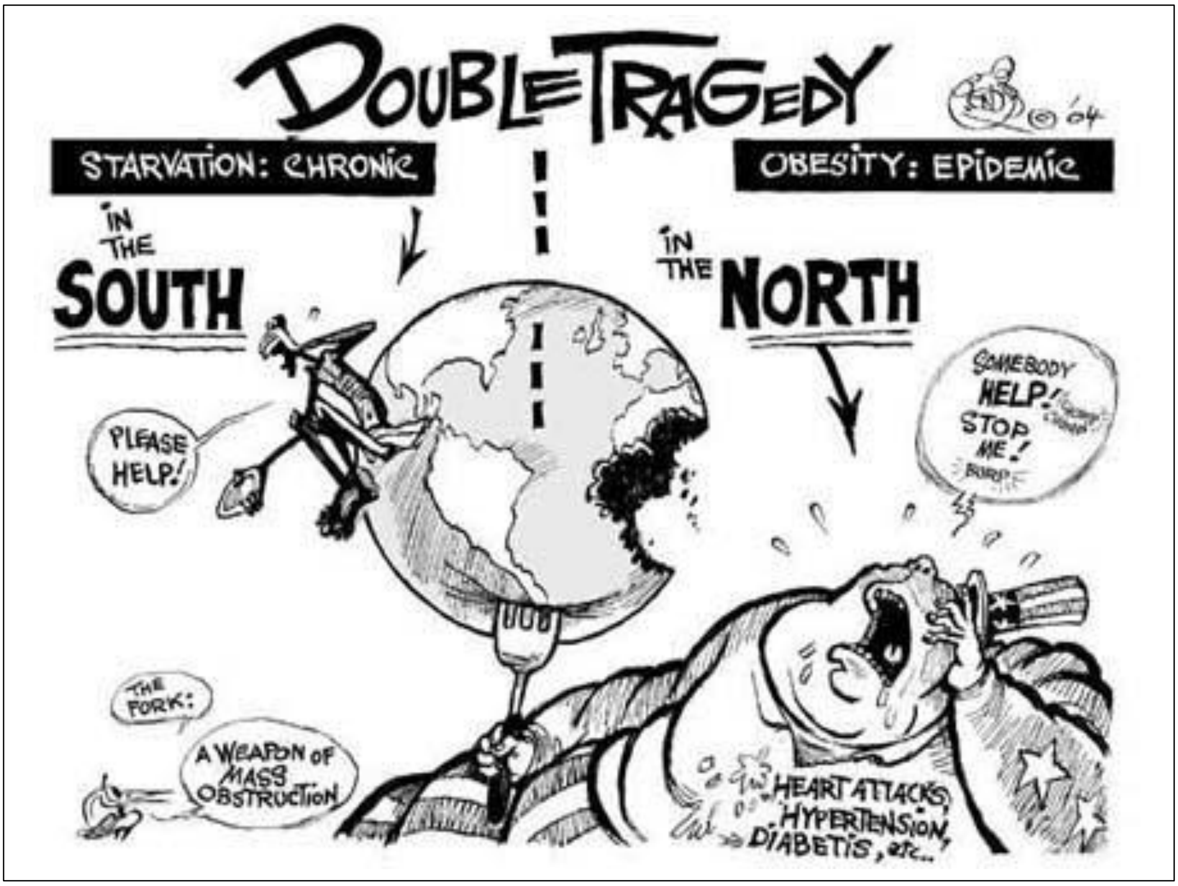
BRICS COUNTRIES TO CONTRIBUTE EQUALLY TO NEW DEVELOPMENT BANK CAPITAL

The New Development Bank BRICS (NDB BRICS), formerly referred to as the BRICS Development Bank, is a multilateral development bank operated by the BRICS states, as an alternative to the World Bank and International Monetary Fund.

Formation of the capital of the New Development Bank (NDB), to be headquartered in Shanghai, will be shared equally by the five BRICS countries. The initial subscribed capital shall be US$50 billion. The goal of the bank is to mobilise resources for infrastructure and sustainable development projects in BRICS and other emerging economies and developing countries. Each participating country holds an equal number of shares and equal voting rights, and none of the countries will have veto power.

4.9.1 Identify ONE country that forms part of BRICS. (1)
4.9.2 Has the BRICS agreement resulted in any significant improvements to the SA economy? (1)
4.9.3 Briefly describe the term *trade block.* (2)
4.9.4 What is an *emerging economy* . (2)
4.9.5 How can South Africa benefit from trade agreements such as BRICS (2x2) (4)

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



4.10.1 What is the economic message portrayed in the cartoon above? (1)

4.10.2 From the above cartoon state the other term that can be used to describe countries in the South? (1)

4.10.3 Describe the term *globalisation*. (2)

4.10.4 Explain the major help countries in the South get from countries in the North? (2)

4.10.5 Differentiate between developing countries and developed countries using information in the cartoon above. (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

5.1 Explain the advantages of internationalisation. (8)

5.2 Briefly discuss the positive effects of globalisation. (8)

5.3 Discuss the advantages of Multinational enterprises. (8)

5.4 Briefly discuss any TWO characteristics of globalisation. (8)

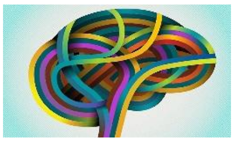
5.5 Briefly explain trade liberalisation and standardisation as causes for globalisation. (8)

5.6 Explain *changes in employment conditions* and *changes in culture* as consequences of globalisation. (8)

5.7 Explain improvement of *communication* and *technology* as a cause of globalisation. (2 x 4) (8)

5.8 Discuss the positive effects of globalisation (8)

5.9 Discuss the disadvantages of globalisation (8)
5.10 Tabulate TWO differences to illustrate the North-South divide. (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 What would South Africa gain from integrating with other economies? (8)
6.2 Why would a country prefer foreign direct investment as opposed to portfolio investment? (4 x 2) (8)
6.3 How can South Africa benefit from trade agreements such as BRICS? (8)
6.4 Evaluate the effect of globalisation on the economy of South Africa. (8)
6.5 Evaluate the effect of the Covid-19 pandemic on globalisation (8)
6.6 Discuss in detail the AfCFTA. (8)

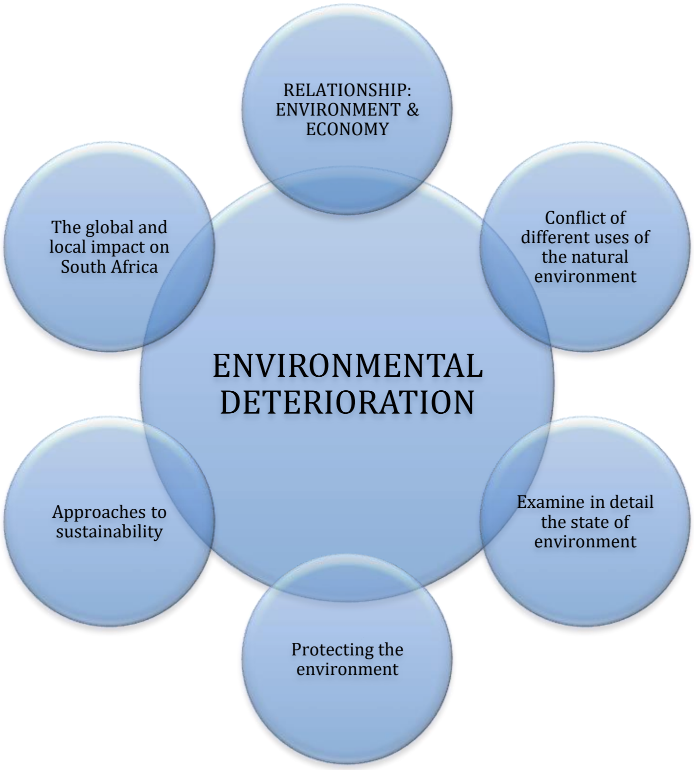
QUESTION 7

- Examine in detail the causes of globalisation. (26 marks)
- Evaluate the negative impact globalization has on South African economy. (10 marks)

QUESTION 8

- Compare the characteristics of the North and South divide economies. (26 marks)
- How has the Covid-19 pandemic negatively impacted on the South African economy. (10 marks)

CONTEMPORARY ECONOMIC ISSUES:
TOPIC 2 ENVIRONMENTAL DETERIORATION



KEY CONCEPTS:

CONCEPT	DESCRIPTION /DEFINITION
Air pollution	Occurs when there is an accumulation of substances in the atmosphere in such concentrations that they become part of the air we breathe. Air pollution can include tobacco smoke, exhaust fumes and acid rain etc.
Brown Issues	Effects on environmental health impacts, such as water usage and waste collection.
Clean energy	This is energy that is produced through methods that do not release greenhouse gases or any other pollutants, such as electricity or nuclear power.
Command and control (CAC)	The direct regulation of an industry or activity through laws that state what is allowed and what is illegal.
Conservation	Deals with the sustainable use and management of both renewable and non-renewable resources to ensure that they are available for use for future generations.
Deforestation	Cutting, clearing and removal of rainforest/trees into less bio-diverse ecosystem such as pasture, cropland or plantations/permanent destruction of forests in order to make the land available for other uses.
Ecosystem	A localised group of interdependent organisms together with the environment that they inhabit and depend on.
Environment	Refers to everything around us: land, water, air, plant and animal life. It provides us with the space to live, erect buildings and produce food.
Environmental degradation	Exploiting natural resources without destroying the ecological balance of an area

CONCEPT	DESCRIPTION /DEFINITION
Environmental subsidies	Cash granted by the government for activities that reduce environmental damage. For example, recycling of waste, production of unleaded petrol, development of an equipment to save energy or to reduce smoke etc.
Environmental Sustainability	Means the ability of the environment to survive its use for economic activity
Erosion	It is a gradual process of movement and transport of the upper layer of soil (topsoil) by different agents, particularly water, wind and mass movement causing its deterioration in the long term.
Externalities	Are the extra costs and benefits that are not captured by the market transactions. They can either be positive or negative.
Global warming	The emission of greenhouse gases due to human activity causes global warming which in turn causes an increase in temperature that then leads to rising sea levels, melting of polar ice caps, flash floods and desertification. **Climate change affecting the whole world**
Green Issues	Effects of future generations, such as water conservation and less waste generation.
Green tax/environmental tax	Tax that can be imposed on the output of a good, wherever external environmental costs are generated. Green taxes are charged on items such as tyres.
Greenhouse Gasses	A gas that contributes to the greenhouse effect by absorbing infrared radiation. Carbon dioxide is an example of greenhouse gasses.
Kyoto protocol	It is an international agreement whereby developed countries pay developing countries for their right to pollute.
Land pollution/environmental pollution	Arises from dumping toxic waste products. It includes visible waste and litter as well as the pollution of the soil itself
Marketable permits	Each business is given a license (permit) to emit a share of the chemical pollutants.
Noise pollution	The excessive noise released by factories, motor vehicles, loud music etc. People who live near airports, train stations or factories can actually be harmed by the noise levels they endure
Pollution	Pollution is the introduction of waste matter into the environment, both directly and indirectly.
Preservation	To keep resources that are non-renewable intact e.g. ecological systems, heritage sites
Soil erosion	Refers to the wearing away of a field's topsoil by natural physical forces of water, wind or through forces associated with farming activities such as tillage.

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.

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 Carbon dioxide that is emitted during the production of goods and services are called
- A the greenhouse effect.
- B global warming.
- C biodiversity.
- D carbon emissions.

1.1.2 Achieving significant improvement in the lives of at least 100 million slum dwellers by 2020 is one of the ... goals.
- A World Summit on Sustainable Development
- B Millennium Development
- C Kyoto Protocol
- D COP 17 conference

1.1.3 Which of the following factors is/are responsible for the depletion of the ozone layer?
- A Carbon monoxide
- B Ultraviolet rays
- C Carbon dioxide
- D Pollution

1.1.4 What is the degradation of land in dry countries called?
- A Environmental deterioration
- B Soil erosion
- C Deforestation
- D Desertification

1.1.5 Resources that may become exhausted if they are not managed in a sustainable manner are known as … resources.
- A natural
- B finite
- C man-made
- D renewable

1.1.6 Environmental degradation can be described as ...
- A letting agricultural runoff cause depletion and killing fish downstream.
- B using solar power at a rapid rate.
- C using oil to make gasoline.
- D recycling.

1.1.7 The National Forest Act aims to...
- A protect and enhance quality air
- B ensure that local communities share the benefits of forests.
- C set standards for the disposal of waste.
- D promote sustainable management, development and protection of forests

1.1.8 Carbon dioxide that is emitted during the production of goods and services are called ...
- A the greenhouse effect.
- B global warming.
- C biodiversity.
- D carbon emissions.

1.1.9 Achieving significant improvement in the lives of at least 100 million slum dwellers by 2020 is one of the ... goals.
- A World Summit on Sustainable Development
- B Millennium Development
- C Kyoto Protocol
- D COP 17 conference

1.1.10 South Africa is currently experiencing a … crisis due to global warming.
- A vegetation
- B conservation
- C water
- D food

1.1.11 Fossil fuels are an example of …
- A non-renewable resources
- B renewable resources
- C Recyclable resources
- D non-recyclable resources

1.1.12 The international agreement on fighting climate change hat was adopted in 1997 is called the …
- A Johannesburg Summit
- B Kyoto protocol
- C Rio summit
- D World Summit on Sustainability and Development

1.1.13 The expression with regard to the environment that the human “footprint” is too big means
- A population grows to fast
- B People consume too much
- C There is too much wastage
- D Humans use more than the earth’s capacity to reproduce

1.1.14 Land consumption means …
- A using sand in building materials
- B using land for establishing of towns
- C converting roads into farmland
- D building dams in rivers

1.1.15 Gas emissions and climate change are connected to …
A. property rights taxes.
B. global warming.
C. positive externalities.
D. Private benefits

1.1.16 The state can play an important role in maintaining environmental sustainability through its …
A. fiscal policy.
B. urbanisation policy.
C. monetary policy.
D. Supply side policy

1.1.17 The state can play an important role in maintaining environmental sustainability through …
A. taxation.
B. externalities.
C. tariffs.
D. quotas.

1.1.18 A firm will spend less on pollution reduction equipment because of its small marginal …
A. private cost.
B. social cost.
C. private benefit.
D. social benefit

1.1 19Local capacity building among … people is a crucial aspect of sustaining the environment.
A. endogenous
B. indigenous
C. exogenous
D. biodiverse

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 Land consumption 1.2.2 Environmental degradation 1.2.3 Deforestation 1.2.4 Global warming 1.2.5 Private ownership 1.2.6 Greenhouse Gasses 1.2.7 Overexploitation 1.2.8 Desertification 1.2.9 Kyoto protocol 1.2.10 Natural capital 1.2.11 Erosion	A A localised group of interdependent organisms together with the environment that they depend on B This causes the temperature of the earth to increase. C examples include electricity or nuclear power that does not pollute the atmosphere when used as opposed to cost of oil D Ensuring a healthy and a continuation of present ecological systems so as to be productive in the present and in the future √ E the permanent destruction of woodlands F To reduce emissions of carbon dioxide G conversion of open space or farmland to

1.2.12 Ecosystem 1.2.13 Environmental Sustainable 1.2.14 Clean energy 1.2.15 Conservation 1.2.16 Preservation	residential, commercial, office or establishment of towns H A resource is used at a rate faster than the rate at which that resource regenerates I The wearing away of natural resources J depletion of resources such as air, soil and water K Turns productive farmland into non-productive desert as a result of poor land management L Gas emissions an climate change M The stock of assets that our environment provides, such as soil and water N It concerns elements of the environment that are threatened with extinction, e.g. wildlife O People are for flora and fauna if they are given the right to own them P Refers to protecting of nature – wildlife, air water and earth deposits

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 When the flow of residual emissions resulting from human activity exceeds the natural environment's capacity to absorb them / The introduction of contaminants into the environment
1.3.2 Animal or plant that are seriously at risk of extinction
1.3.3 Exploiting natural resources without destroying the ecological balance of an area
1.3.4 A way of using natural resources without destroying the ecological balance of an area
1.3.5 Cutting down forest to make place for plantation and housing
1.3.6 To manage the environment in such a way that it will be protected from change
1.3.7 Limits the quantity of a product that can be imported into a country
1.3.8 Refer to a change in average water conditions. Or in the time variation of weather around longer-term average conditions
1.3.9 The consumption of a resources faster than it can be replenished
1.3.10 A type of land degradation in which a relatively dry land region becomes increasingly arid, typically losing its bodies of water as well as vegetarian and wildlife
1.3.11 Taxes levied on goods damaging the environment
1.3.12 The ability of the environment to survive its use for economic activity.
1.3.13 It refers to meeting the needs of the present generation without compromising the needs of future generations
1.3.14 Climate change affecting the whole world
1.3.15 To keep resources that are non-renewable intact, e.g. ecological systems, heritage sites
1.3.16 Its goal was to create strategies to stop and reverse the effects of environmental degradation (damage), and to support international efforts to promote sustainable development in all countries

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 policies and legislation introduced by the Department of Environmental Affairs to protect the environment. (2 x 1) (2)
2.2 Name any TWO examples of pollution. (2 x 1) (2)
2.3 Name any TWO examples of consumer waste. (2 x 1) (2)
2.4 List any TWO examples of renewable resources (2 x 1) (2)
2.5 Name any TWO principles for sustainable development. (2 x 1) (2)
2.6 Name any TWO of the millennium development goals. (2 x 1) (2)
2.7 List TWO examples of fossils fuels? (2 x 1) (2)

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

QUESTION 3:

3.1 What impact does HIV/Aids have on poverty? (2)
3.2 How do Green Taxes contribute towards sustainability? (2)
3.3 Why is it important for us to sustain the environment? (2)
3.4 How do international protocols help sustainable development? (2)
3.5 How would the Kyoto Protocol help the environment? (2)
3.6 How do international protocols help sustainable development? (2)
3.7 How do Green Taxes contribute towards sustainability? (2)
3.8 How does granting property rights ensure environmental sustainability? (2)
3.9 What negative externality can be caused during the process of manufacturing electricity (2)
3.10 How do environmental subsidies ensures environmental sustainability? (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 following and answer the questions that follow

PROTECTING THE ENVIRONMENT

The earth is an ecosystem that deserves our protection. Without our environment, we would be unable to thrive as humans. It is up to each of us to do our part to help protect the environment. Any time you reduce the amount of water you use, save on gasoline, reduce the use of electricity, prevent items from going into landfills, or save on natural resources, you help protect the environment in important ways.

[Source: www.consumerprotect.com]

4.1.1 Identify from the above extract any TWO ways of protecting the environment. (2)
4.1.2 Briefly describe the concept *ecosystem*. (2)
4.1.3 Explain price policy as a method of protecting the environment. (2)
4.1.4 Why is it vital for human beings to protect the environment? (4)

4.2 Study the cartoon below and answer the questions that follow

4.2.1 Identify TWO environmental issues (problems) that can be derived from the cartoon. (2)
4.2.2 Explain the term *sustainable economic development.* (2)
4.2.3 Name action steps that households can take to reduce the amount of toxic material we use. (2 x 1) (2)
4.2.4 What could the government do to prevent unsustainable use of the environment? (2 x 2) (4)

4.3 Study the information and answer the questions that follow

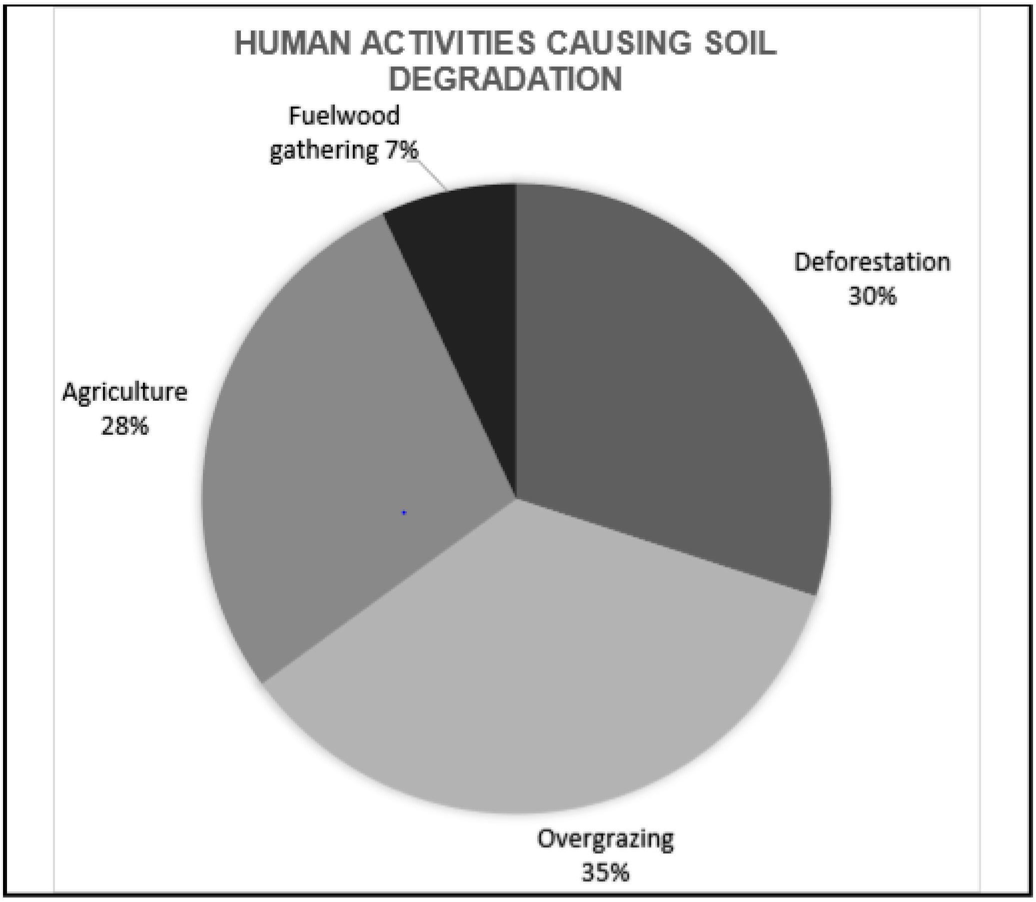
South Africa is suffering from a water shortage.

The rainfall per m^2 in SA is between 300-500 mm during one year. This is much less than the worldwide average. In addition the water is unequally distributed because the rain is seasonal and in some regions it is raining a lot more than in others. The clouds get stuck in the eastern mountain ranges resulting in less rainfall in the western regions.

The Western Cape area is especially under threat of water shortage by 2030, which will make it impossible to cater for all of its inhabitants. To add to the pressure on water resources, the Western Cape is also one of the most visited areas of South Africa by international and domestic tourists.

4.3.1 Identify any ONE environmental issue (problem) . (1)
4.3.2 What are brown issues in the environment? (1)
4.3.3 Briefly explain sustainable economic development. (2)
4.3.4 Name action steps that households can take to prevent the amount of toxic material we use. (2)
4.3.5 What could the government do to prevent the unsustainable use of the environment? (4)

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



4.4.1 Name ONE factor contributing the most to soil erosion. (1)
4.4.2 What is green environmental issue? (1)
4.4.3 Briefly describe the term *conservation.* (2)
4.4.4 How can technological innovation be used to protect the environment?(2)
4.4.5 How does agriculture contribute to soil degradation? (4)

4.5 Read the extract below and answer the questions that follow:

Climate change agreement to be concluded

Delegates attending the 21st Conference of the Parties to the United Nations Framework Convention on Climate Change (UNFCCC) in Paris, France, are expected to conclude a new agreement to address climate change, later today.

The Department of Environmental Affairs said ministers and delegates from more than 196 countries are expected to conclude a new ambitious, fair and effective multilateral legal instrument, applicable to all parties, which will provide the legal basis for addressing the global challenge of climate change from 2020.

"In this process, South Africa is leading negotiations on finance, technology and capacity building, on behalf of the Africa Group, and is the chair of the Group of 77 and China, which is negotiating on behalf of developing countries," the department said.

This ensures that African countries will be supported in their efforts to address the irreversible effects of climate change on water and food security, health and infrastructure, in the context of increasing global temperatures.

[Source: http://www.sanews.gov.za/world/climate-change-agreement-be-concluded]

4.5.1 Which South African Department attended the UNFCCC? (1)
4.5.2 How many African countries were represented at the UNFCCC? (1)
4.5.3 Name TWO problems mentioned in the article, about climate change in Africa (2)
4.5.4 Briefly describe the term *sustainable economic development.* (2)
4.5.5 What could the government do to prevent the unsustainable use of the environment? (2 x 2) (4)

4.6 Read the extract and answer the questions that follow

LOSS OF BIODIVERSTY AND GLOBAL CLIMATE CHANGE

Global climate change is occurring at an unprecedented rate today, mainly due to an increased emission of greenhouse gases such as CO_2. Global temperatures have increased by about 0,6–0,7 °C and are predicted to further increase by 1,4–5,8 °C by 2100. Loss of biodiversity has become a serious issue in many places around the world. Many factors such as habit loss, degradation, excessive nutrient load, air and water pollution, overexploitation and unsustainable use of natural resources contribute to the loss of biodiversity.

4.6.1 List any ONE factor that contribute to the loss of biodiversity. (1)
4.6.2 What is the increase of global temperatures called? (1)
4.6.2 What is the main cause of climate change? (2)
4.6.3 Briefly explain brown environmental issues. (2)
4.6.4 How does climate change affect the economic environment? (2 x 2) (4)

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

FISHING QUOTAS "DESIGNED TO SQUEEZE OUT THE POOR"

The quota system implemented by the government appeared to be designed to keep small fishing companies and poor fishers out, says an action group.

Hlanganani Fishing Business Forum chairperson Mawethu Ndude said: "Firstly, you have the bona-fide fishermen who failed to get quotas and are now sitting without an income. Then you have the small guys who were given quotas, but the costs of using those quotas are so high, they cannot make a living out of it." Co-ordinator Pedro Garcia said: "some allocations are just too small for people to really make a living from and many bona-fide fishermen sit on the beach, while people who have never been fishermen go out and catch."

But Marine and Coastal Management spokesperson Carol Moses said: "The hard reality is that our marine resources are dwindling and it is impossible to allocate rights to all. We are investigating various possible alternative job opportunities for these communities. We are planning the development of harbours and we are looking at the possibilities of ecotourism."

[Source: www.iol.co.za]

4.7.1 Why is it necessary for government to impose fishing quotas, according to the article above? (1)

4.7.2 Name a solution which government is planning to create alternative jobs for the communities. (1)

4.7.3 Explain the quota system implemented by government. (2)

4.7.4 Discuss a reason why the poor fisherman will not benefit from these quotas. (2)

4.7.5 How could we prevent our "marine resources from dwindling"? (2 x 2) (4)

4.8 Read the extract below and answer the questions tat follow

CONSEQUENCES OF LAND DEGRADATION

Although the true costs of land degradation are poorly understood, it has considerable effects on the economy. In South Africa, about 35% of the country's net agricultural income is overstated because the environmental costs are not currently included in the accounts. Soil degradation alone costs South Africa an average of nearly R2 billion annually in dam sedimentation and increased water treatment costs, for example. The costs associated with neutralising the effects of acid rain (caused by energy generation) on soils in Mpumalanga are estimated at R25 million per year, while the loss of soil nutrients through degradation costs R1, 5 billion.

[Source: htt//deat.gov.za]

4.8.1 How much did it cost Mpumalanga to neutralise the effects of acid rain? (1)

4.8.2 What is the introduction of waste matter into the environment, both directly and indirectly? (1)

4.8.3 Briefly describe the term *carbon dioxide emissions*. (2)

4.8.3 List TWO economic consequences of land degradation. (2)

4.8.4 Distinguish between renewable and non-renewable resources. (4)

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

THE UNITED NATIONS CLIMATE CHANGE CONFERENCES

The UN has yearly conferences which serve as a formal meeting of parties that are known as the Conference of the Parties (COP). The meetings assess the progress made in dealing with climate change. The first conference was held in Berlin, Germany, in 1995 and the third meeting was held in Kyoto, Japan, in 1997, where the reduction of greenhouse gases was discussed.

In 2011 the 17th meeting was held in Durban, South Africa. The emphasis was on the creation of a green climate fund. The Kyoto conference outlined the reduction of greenhouse gas emissions. In 2016 the 22nd conference (also known as COP 22) was held in Morocco. Despite these numerous meetings, global temperatures are still increasing.

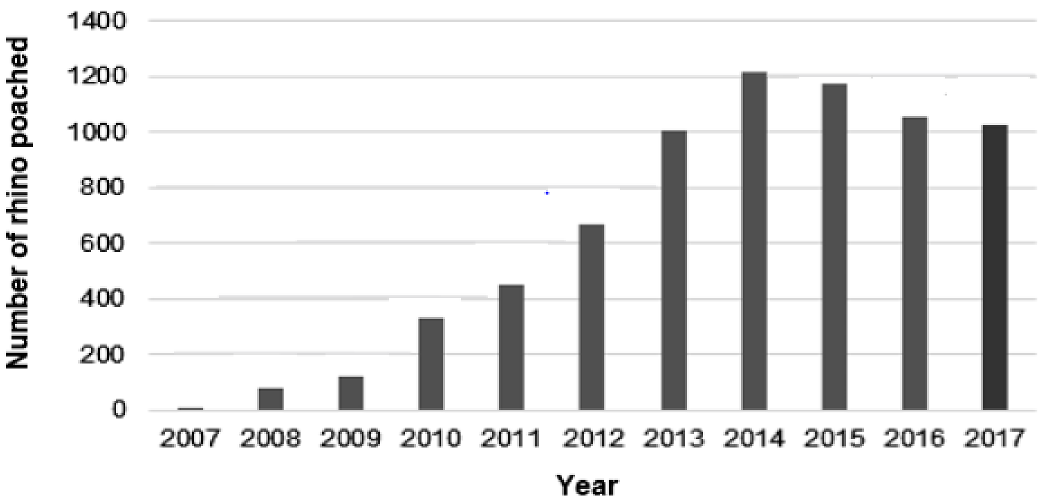
[Adapted from 222.wikipedia.com]

4.9.1 Give the name of ONE city in the extract where climate change conferences were held. (1)
4.9.2 Identify the international organisastion in the extract above that initiates climate change conferences. (1)
4.9.3 Describe how greenhouse gases contribute to global warming. (2)
4.9.4 How can a green fund help to reduce global warming? (2)
4.9.5 Why is global warming increasing despite the many international conferences on climate change? (2 x 2) (4)

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

IS THE ILLEGAL HUNTING (POACHING) OF RHINOCEROS COMING TO AN END NOW?

Recorded number of rhinos poached in South Africa



Illegal hunting accounts for the vast majority of rhino deaths. Awareness and conservation are vital to maintain biodiversity and to prevent the species from dying out. This also benefits the people living near the rhino habitat.

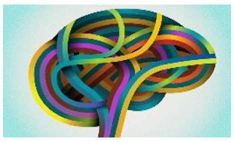
[Adapted from www.PoachStatsSA, 2017]

4.10.1 What is the main reason for the poaching of rhinos? (1)
4.10.2 During which year was rhino poaching at its worst in South Africa? (1)
4.10.3 Briefly describe the term *biodiversity.* (2)
4.10.4 Give ONE example of how awareness of the natural fauna and flora can be created. (2)
4.10.5 How will conservation benefit the people living near the rhino habitat? (2 x 2) (4)

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 basic conservation methods used to protect global natural resources. (8)
5.2 Discuss private property rights and voluntary agreements as approaches to sustaining the environment. (8)
5.3 In which way do international agreements protect the environment? (8)
5.4 Briefly discuss South Africa's endeavour in renewable resources. (8)
5.5 Explain FOUR ways to achieve environmental sustainability. (8)
5.6 Give FOUR downstream effects of soil erosion (8)
5.7 Briefly discuss the granting of property rights as a measure to sustain the environment. (8)



TYPICAL EXAM QUESTION: THESE HIGHER ORDER QUES-TIONS 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 What role can society play in trying to save the environment from global warming? (8)
6.2 How does environmental degradation impact on South Africa's economy? (8)
6.3 Why do you think taking care of forests is important for the economy and the environment? (8)
6.4 What problems would be experienced in the economy if non-renewable resources were consumed excessively? (8)
6.5 How can humans positively impact on the environment? (8)
6.6 In which way do international agreements protect the environment? (8)
6.7 Explain how he state can aid preservation of the natural forest? (8)
6.8 How do environmental subsidies ensure environmental sustainability? (8)
6.9 How does environmental degradation lead to poverty? (8)

ESSAY STRUCTURE

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.

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 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 / 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/analy-sis ● A contradictory viewpoint with motivation, if required Recommendations	Max 2
TOTAL	**40**

QUESTION 7

- Discuss the various approaches that can be used to sustain the environment. (26 marks)
- What role can society play in trying to save the environment from global warming? (10 marks)

[40]

QUESTION 8

- Discuss in detail public sector interventions and public sector control as measure to ensure sustainable development. (26 marks)
- How did globalisation negatively affect South Africa? (10 marks)

[40]