



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2012

ECONOMICS

MARKS: 300

TIME: 3 hours



This question paper consists of 16 pages.

INSTRUCTIONS AND INFORMATION

1. Answer SIX questions as follows in the ANSWER BOOK:
SECTION A: COMPULSORY.
SECTION B: Answer any THREE questions of the five questions.
SECTION C: Answer any TWO questions of the four questions.
2. Write the question number above each question.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Read the questions carefully and start each question on a NEW page.
5. Leave 2 – 3 lines between subsections of questions.
6. Answer questions in full sentences and ensure that the format and content of your responses comply with the cognitive levels of the questions.
7. Write neatly and legibly.
8. Only the required number of questions will be marked in the order in which they appear in the ANSWER BOOK.

SECTION A (Compulsory)**QUESTION 1 (LO1 – LO4)**

1.1 Various possible options are provided as answers to the following questions. Choose the most correct answer and only write the letter (A, B or C) next to the corresponding question number (1.1.1 – 1.1.12) in the ANSWER BOOK.

1.1.1 The quantity of this factor of production cannot be increased.

- A Land
 - B Labour
 - C Capital
- (2)

1.1.2 To convert basic prices to market prices, taxes on products must be ...

- A deducted.
 - B multiplied.
 - C added.
- (2)

1.1.3 In a market economy all the problems are resolved by the ...

- A government.
 - B producers.
 - C market mechanism.
- (2)

1.1.4 A decrease in the demand is represented by the movement of the demand curve to the ...

- A right.
 - B left.
 - C top.
- (2)

1.1.5 The banking sector in South Africa is an example of a/an ... market.

- A oligopoly
 - B monopoly
 - C perfect
- (2)

1.1.6 Refers to all the satisfaction gained from the consumption of a given quantity of goods.

- A Total utility
 - B Marginal utility
 - C Average utility
- (2)

- 1.1.7 This type of tax is levied on gains earned on the sale of goods like properties and shares.
- A Income tax
 - B Value Added Tax
 - C Capital Gains Tax
- (2)
- 1.1.8 An increase in interest rate will make borrowings ...
- A less expensive.
 - B more expensive.
 - C much cheaper.
- (2)
- 1.1.9 These cards are issued by banks to those clients who maintain deposit money balances on their accounts.
- A Credit
 - B Debit
 - C Consumer
- (2)
- 1.1.10 Majority of the poor people are living in ... areas.
- A urban
 - B semi-urban
 - C rural
- (2)
- 1.1.11 The liberalisation of trade began after the establishment of ...
- A WHO.
 - B GATT.
 - C IMF.
- (2)
- 1.1.12 The physical surroundings and conditions that affects people's lives is referred to as ...
- A environment.
 - B economy.
 - C globalisation.
- (2)

1.2 Choose a word from the following LIST that best describe the given statements. Only write the correct word next to the corresponding question number (1.2.1 – 1.2.5) in the ANSWER BOOK.

Work force; Wealth; Relative price; WTO; Per capita income; IMF; Entrepreneur

- 1.2.1 Also known as economically active population. (2)
- 1.2.2 The price of one good expressed in terms of another. (2)
- 1.2.3 Real GNI divide by the number of population. (2)
- 1.2.4 Central organisation for setting rules on how international trade should take place. (2)
- 1.2.5 The value of the assets of a person or household at a particular time. (2)

1.3 Choose a description from COLUMN B that matches a concept in COLUMN A. Only write the correct letter (A – J) next to the corresponding question number (1.3.1 – 1.3.8) in the ANSWER BOOK.

	COLUMN A		COLUMN B
1.3.1	Natural resources	A	A single seller with no close substitutes
1.3.2	Final consumption expenditure	B	Satisfaction gained from the consumption of an article
1.3.3	Monopoly	C	An example of government intervention to reduce poverty
1.3.4	Utility	D	Spatial areas offering specific advantages to mining, manufacturing and other businesses
1.3.5	SDI	E	Gifts of nature
1.3.6	Economic growth	F	Addressed issues such as global warming and pollution
1.3.7	Disability grant	G	Total spending of consumers and non-profit institutions
1.3.8	Kyoto protocol	H	Policies and agreements for sustainable development
		I	Increase in production capacity
		J	Improves the quality of production

(8 x 2) (16)

TOTAL SECTION A: 50

SECTION B (Answer any THREE questions from this section.)**QUESTION 2 (LO1) (50 MARKS – 25 MINUTES)**

2.1 Answer the following questions appropriately.

Choose the most correct word from those given in brackets. Only write the word next to the corresponding question number (2.1.1 – 2.1.4) in the ANSWER BOOK.

- 2.1.1 When the country's capital increases at the rate equal to that of the increase in the workforce, it is known as capital (widening/deepening). (2)
- 2.1.2 Goods and services that are not used as inputs by other enterprises are called (intermediate/final) goods. (2)
- 2.1.3 There is no private ownership in a (market/planned) economy. (2)
- 2.1.4 The industries in the primary sector are also known as (extractive/productive) industries. (2)
- 2.2 List any THREE characteristics of labour as a factor of production. (3 x 2) (6)

2.3 DATA RESPONSE

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

SOUTH AFRICAN MONTHLY EXPORT AND IMPORT FIGURES

WORLD ZONES	EXPORT		IMPORT	
	MARCH 2011	APRIL 2011	MARCH 2011	APRIL 2011
	Rm	Rm	Rm	Rm
AFRICA	9 507,2	7 900,6	3 461,1	4 531,4
EUROPE	14 685,6	14 205,6	23 627,9	17 414,2
AMERICA	6 965,4	6 057,4	7 758,0	7 204,6
ASIA	22 054,6	18 155,6	23 317,7	24 078,6
OCEANIA	690,7	638,8	995,2	776,0

[Adapted from www.sars.co.za]

- 2.3.1 Define the term 'export'. (2)
- 2.3.2 According to the above table, which world zone is South Africa's biggest trading partner? (2)
- 2.3.3 Mention the letter which denotes imports. (2)
- 2.3.4 Briefly explain GDP (E). (4)

2.4 DATA RESPONSE

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

The economic infrastructure of a country is the backbone of its industrial development and comprises of all structures and systems that facilitate economic activity. Increased levels of infrastructure investment are required to remain competitive and to attract foreign investment. The smooth running of the production and distribution process of a country depends to a large extent upon the existence of a proper infrastructure.

[Adapted from www.finforum.co.za]

- 2.4.1 According to the extract, define the term '*infrastructure*'. (2)
- 2.4.2 Mention TWO reasons why a country must increase their levels of infrastructure investment. (4)
- 2.4.3 Mention any TWO sources of renewable energy. (4)
- 2.5 Briefly explain 'motivation' and 'ownership' as characteristics of a mixed economy. (8)
- 2.6 Briefly explain 'contribution to GDP' as an importance of primary sector. (8)

[50]

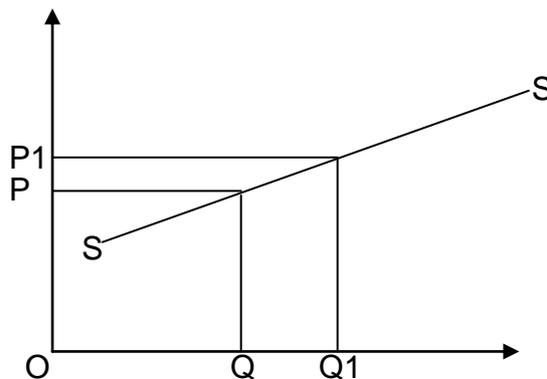
QUESTION 3 (LO2) (50 MARKS – 25 MINUTES)

3.1 Answer the following questions appropriately.

Choose the most correct word from those given in brackets. Only write the word next to the question number (3.1.1 – 3.1.4) in the ANSWER BOOK.

- 3.1.1 An (economic/normal) profit means that the enterprise earns more profit that it could earn elsewhere. (2)
- 3.1.2 A (perfect/monopoly) market exists where there is only one seller and where there are no close substitutes. (2)
- 3.1.3 The change in the price of one product leads to a direct change in the demand for another product means that the two products are (complements/substitutes). (2)
- 3.1.4 When TR is greater than TC, the firm will make a (profit/loss). (2)
- 3.2 List the THREE imperfect market structures. (3 x 2) (6)
- 3.3 **DATA RESPONSE**

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



- 3.3.1 Mention the degree of elasticity of supply in the above graph. (2)
- 3.3.2 Define the term '*elasticity of supply*'. (2)
- 3.3.3 Mention TWO factors that determine the degree of elasticity of supply. (4)
- 3.3.4 Give the formula to calculate the elasticity of supply. (2)

3.4 DATA RESPONSE

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

Cost and Revenue schedule						
Quantity	Total Cost (R)	Average Cost (R)	Marginal Cost (R)	Total Revenue (R)	Average Revenue (R)	Marginal Revenue (R)
1	10	10	10	14	14	14
2	18	9	8	24	12	10
3	24	8	6	30	10	6
4	32	A	8	32	8	2
5	42	8,4	10	30	6	B

- 3.4.1 Define the term '*Marginal Cost*'. (2)
- 3.4.2 At what point does the firm achieve its profit maximisation? (2)
- 3.4.3 Calculate Average Cost '**A**'. (3)
- 3.4.4 Calculate Marginal Revenue '**B**'. (3)
- 3.5 Distinguish between 'short-run' and 'long-run' costs. (8)
- 3.6 Briefly explain 'substitutes' and 'necessity' as factors determining elasticity of demand. (8)

[50]

QUESTION 4 (LO3) (50 MARKS – 25 MINUTES)

4.1 Answer the following questions appropriately.

Choose the most correct word from those given in brackets. Only write the word next to the question number (4.1.1 – 4.1.4) in the ANSWER BOOK.

4.1.1 The greater the increase in productivity the (higher/lower) will be the economic growth rate. (2)

4.1.2 Money deposited with a bank which can be withdrawn without notice, is called (demand/supply) deposit. (2)

4.1.3 One of the aims of (ASGISA/RDP) is to meet the needs of the people. (2)

4.1.4 Developed countries introduced subsidies to encourage (exports/imports) of their primary agricultural goods in particular. (2)

4.2 List any THREE characteristics of wealth. (3 x 2) (6)

4.3 **DATA RESPONSE**

Study the extract given below and answer the following questions.

SADC

SADC's Vision is that of a common future, a future within a regional community that will ensure economic well-being, improvement of the standards of living and quality of life, freedom and social justice and peace and security for the people of Southern Africa. This shared vision is anchored on the common values and principles and the historical and cultural similarities that exist between the people of Southern Africa.

[Adapted from www.sadc.int/]

4.3.1 What does the abbreviation 'SADC' stand for? (2)

4.3.2 Name any ONE vision of SADC. (2)

4.3.3 List any TWO forms of economic co-operation and integration. (4)

4.3.4 Mention any ONE goal of SADC. (2)

4.4 DATA RESPONSE

Study the document given below and answer the questions that follow.

HDFC BANK		PAYABLE AT ALL BRANCHES OF HFDC LTD		DATE: 2009 Oct 11
A/C PAYEE ONLY				
PAY	Sample Payee Company			
RAND	Forty Six Thousand Four Hundred and Fifty Rand Only		R 46,450.00 ***	
For Vivus SMRC Centre PTY LTD				
A/c No.	4032400106	HDFC PLUS		
HDFC BANK 725-1 Airport Road, Chicalm, Goa	HDFC PLUS	Authorised signature		
186783 4032400106 002512 29				

- 4.4.1 Briefly explain a cheque. (4)
- 4.4.2 Mention any TWO money associated instruments (excluding cheques). (4)
- 4.4.3 Mention ONE kind of modern money. (2)
- 4.5 Briefly explain any TWO reasons for the unequal distribution of income. (8)
- 4.6 Briefly explain 'human resources' as a development strategy. (8)

[50]

QUESTION 5 (LO4) (50 MARKS – 25 MINUTES)

5.1 Answer the following questions appropriately.

Choose the most correct word from those given in brackets. Only write the word next to the question number (5.1.1 – 5.1.4) in the ANSWER BOOK.

- 5.1.1 When people are unable to satisfy their basic needs, they are in (absolute/relative) poverty. (2)
- 5.1.2 The removal of restrictions like tariffs and quotas is referred to as (trade/capital) liberalisation. (2)
- 5.1.3 The government can protect the environment by establishing a (green/blue) tax. (2)
- 5.1.4 A country has (absolute/comparative) advantage when it can produce more output using the same input than another country. (2)
- 5.2 List any THREE absolute and comparative advantage of globalisation. (3 x 2) (6)

5.3 **DATA RESPONSE**

Study the extract given below and answer the following questions.

Sustainable energy

Sustainable energy is the provision of energy to meet the needs of the people without compromising the ability of future generations to meet their needs. That means that sustainable energy is energy which can be reproduced and causes no long-term damage to the environment. From this definition it is clear that all renewable energy sources are sustainable.

[Adapted from www.renewables-info.com]

- 5.3.1 Define the term '*sustainable energy*'. (2)
- 5.3.2 Briefly explain renewable resources. (4)
- 5.3.3 List any TWO examples of non-renewable resources. (4)

5.4 DATA RESPONSE

Read the following extract and answer the following questions.

Globalisation

The idea that 'globalisation' is bringing increased benefits for all is unreasonable. It is clear from the evidence collected by the United Nations and the World Bank, that 85% of the world's population lives in countries in which inequalities have increased over the past 30 years, and in which the standard of living for large numbers of people, in both the North and the South continues to get worse.

[Adapted from www.globalsolidarity.org]

- 5.4.1 Define the term '*globalisation*'. (2)
- 5.4.2 What does the term '*the North and the South*' represent? (2)
- 5.4.3 According to the extract, name ONE international institution to standardise the activities of countries. (2)
- 5.4.4 Mention TWO causes of globalisation. (4)
- 5.5 Briefly explain 'basic economic services' and 'food schemes' as two examples of 'benefits in kind' to alleviate poverty by the South African government. (8)
- 5.6 Discuss 'transport and communication' as a cause of globalisation. (8)

[50]

QUESTION 6 (LO1 AND LO3) (50 MARKS – 25 MINUTES)

6.1 Answer the following questions appropriately.

Choose the most correct word from those given in brackets. Only write the word next to the question number (6.1.1 – 6.1.4) in the ANSWER BOOK.

6.1.1 The (entrepreneur/labour) undertakes the risks in production. (2)

6.1.2 Buildings, machinery and equipment are all examples of (tangible/intangible) assets. (2)

6.1.3 Interest rate is a (monetary/fiscal) policy instrument. (2)

6.1.4 Southern African countries that seek peace and an integrated regional economy are known as (SACU/SADC). (2)

6.2 List the THREE purposes of the SA government's interventions in the economy. (3 x 2) (6)

6.3 DATA RESPONSE

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

Allocation of resources for socio-economic services	
R24,6 billion	To increase provincial health and education
R4,1 billion	Expanded Public Works Programme
R4 billion	School nutrition
R6,4 billion	Public transport, rail and road infrastructure
R1 billion	Regional bulk water infrastructure
R600 million	Municipal free basic services
R3,7 billion	To increase the provision of housing
R932 million	Treatment and prevention of HIV/Aids
R12 billion	Social grants

[Adapted from www.statssa.gov.za]

6.3.1 According to the above table, which department received the largest allocation of resources? (2)

6.3.2 Name the authority that is responsible for the provision of social services in South Africa. (2)

6.3.3 Mention TWO economic services that can affect the quality of people's lives. (4)

6.3.4 Name ONE free basic service received by the poor people. (2)

6.4 DATA RESPONSE

Study the following extract and answer the questions that follow.

SARB leaves repo rate unchanged at 5,5%

JOHANNESBURG, SOUTH AFRICA, 22 Sep 2011

[Adapted from *Mail & Guardian online*]

- 6.4.1 Name the central bank of SA. (2)
- 6.4.2 List THREE basic functions of the central bank. (6)
- 6.4.3 Mention ONE monetary policy instrument. (2)
- 6.5 Briefly explain any TWO kinds of economically marginalised groups. (8)
- 6.6 Discuss 'HIV/Aids' as a constraint to economic growth. (8)

[50]

TOTAL SECTION B: 150

SECTION C (Answer any TWO questions from this section.)

Essay responses:

- Should include an introduction, body and conclusion.
- 5 MARKS will be awarded for the introduction and conclusion.
- In addition, 5 MARKS will be awarded for the interpretation of the topic.
- A maximum of 40 MARKS will be allocated for the body.

QUESTION 7 (LO1 AS1)**ESSAY RESPONSE**

Analyse the characteristics and importance of entrepreneurs in the economy. **[50]**

QUESTION 8 (LO2 AS1)**ESSAY RESPONSE**

Explain in detail the characteristics of a perfect competitive market and conclude your essay by briefly explaining the reasons for imperfect markets. **[50]**

QUESTION 9 (LO3 AS2)**ESSAY RESPONSE**

Fully explain the characteristics of developing countries. **[50]**

QUESTION 10 (LO4 AS4)**ESSAY RESPONSE**

Write a detailed essay on the causes and effects of poverty. **[50]**

TOTAL SECTION C: 100

GRAND TOTAL: 300