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NSC 2016 CHIEF MARKER'S REPORT

SUBJECT	ECONOMICS
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PAPER	2
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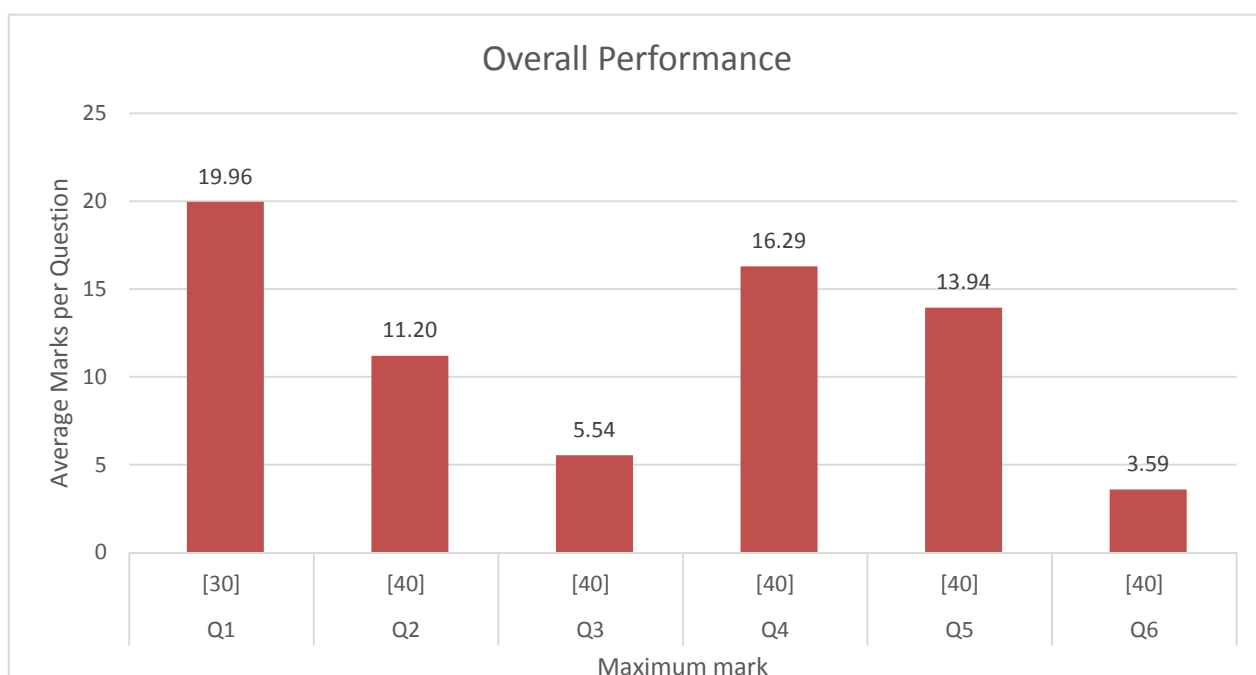
DATE OF EXAMINATION:	8 NOVEMBER 2016	DURATION:	2 HOURS
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SECTION 1: (General overview of Learner Performance in the question paper as a whole)

There is an improvement in the candidates' performance in this paper in comparison to previous years.

The graph below shows the overall performance of the 100 randomly sampled scripts. They may not be a true representative sample of the performance of the 24805 scripts. This sample is used to analyse all the questions in this report.

Generally the performance was fair especially those candidates that chose Question 2, 4, and 5.



SECTION A- QUESTION 1 (COMPULSORY)

Candidates performed well in this question especially in 1.1 and 1.2 where most of them got full marks. Candidates found 1.3 (concepts) challenging although there is an improvement compared to previous years.

SECTION B- QUESTION 2,3,4- CHOICE SECTION- CHOOSE 2 QUESTIONS

In this Section, Question 2 and 4 were the most popular questions. All questions in this section were answered fairly well. It is evident from the graph above that candidates attained high marks in Question 4.

The main problem with the candidates' responses was the lack of comprehension of facts in data response and higher order questions.

SECTION C- QUESTION 5,6 CHOICE SECTION- CHOOSE 1 QUESTION

There is a great improvement in the results for questions in Section C, unlike in previous years where learners could not even attempt the section. Another highlight is that most candidates follow the structure of the essays as outlined in the question paper although there are few who find this a challenge. There is a great improvement in candidates' essay writing, although comprehending facts is a still challenge.

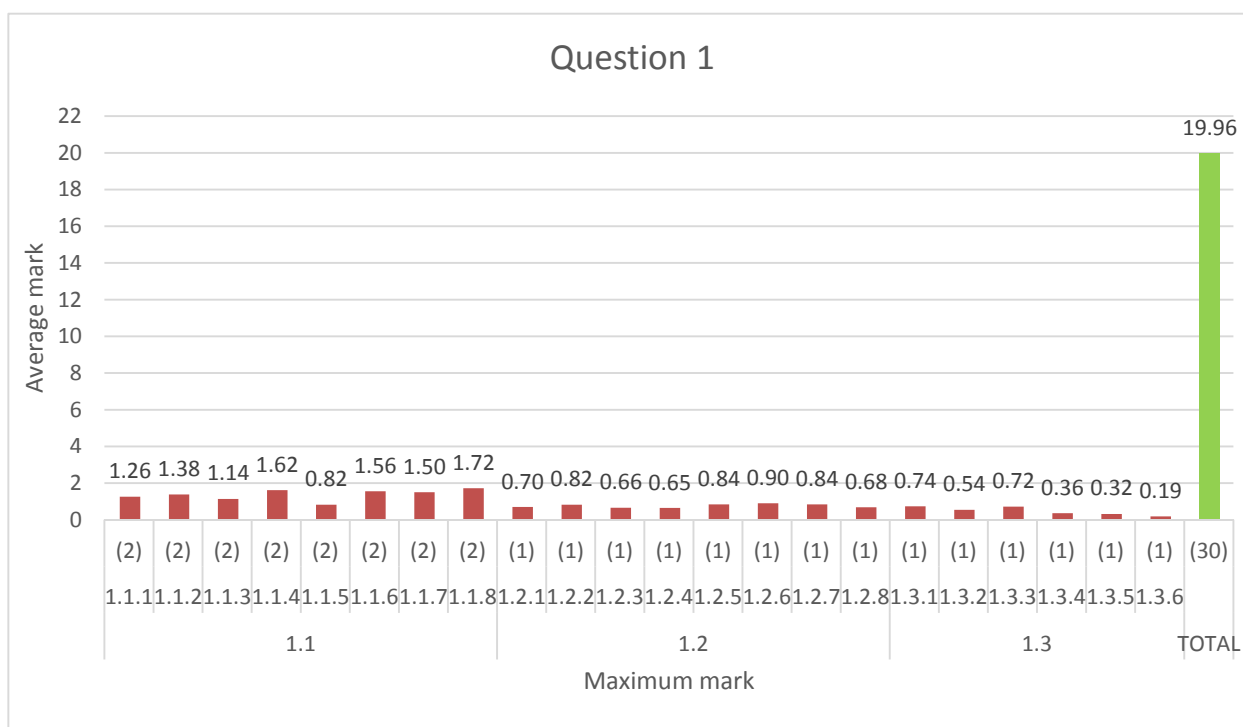
SECTION 2: Comment on candidates' performance in individual questions

(It is expected that a comment will be provided for each question on a separate sheet).

QUESTION 1- MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES

- (a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?

Average mark from the sample of 100 :		19,96
SUB-QUESTION	TOPIC OR ASPECT TESTED	AVERAGE % FROM SAMPLE
1.1	Multiple choice :Micro economics and Contemporary Economic Issues	59%
1.2	Match Column: Micro economics and Contemporary Economic Issues	76,1
1.3	One term (Concepts): Micro economics and Contemporary Economic Issues	47,8



Candidates performed relatively well in this question although economic concepts are a challenge to most of them. The average mark of the 100 sampled scripts is 66,3%. Many candidates were able to pass because of this question.

(b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

1.1 Multiple choice questions

Most candidates lost marks in 1.1.5.

1.3 Give one term-

Economic concepts are a challenge to most candidates.

1.3.1 Instead of 'economic profit' candidates wrote 'high profit'

1.3.2. Some candidates confuse the 'short run' with the 'long run'

1.3.4. Candidates wrote 'copyright' / 'permit' instead of 'patent'

1.3.5 Most candidates wrote 'green gas'

1.3.6 The majority of candidates did not know the answer, some wrote 'choice cost' instead of opportunity cost

(c) Provide suggestions for improvement in relation to Teaching and Learning

More emphasis is required on teaching the economic concepts to ensure a higher level of understanding. The last 5 or 10 minutes of the period can be spent on discussing any new terminology that has been taught.

Teachers and learners should make use of Economic Concepts, Principles and Market Dynamics Grades 10 – 12 supplied by DBE.

Regular short tests on concepts should be administered on a weekly basis.

(d) Describe any other specific observations relating to responses of learners

Candidates do not read the instructions intensively before they start writing.

Instruction no 9 stated that 'Use only black or blue ink', but many candidates used lead pencil in answering this section and that led to many irregularities.

(e) Any other comments useful to teachers, subject advisors, teacher development etc.

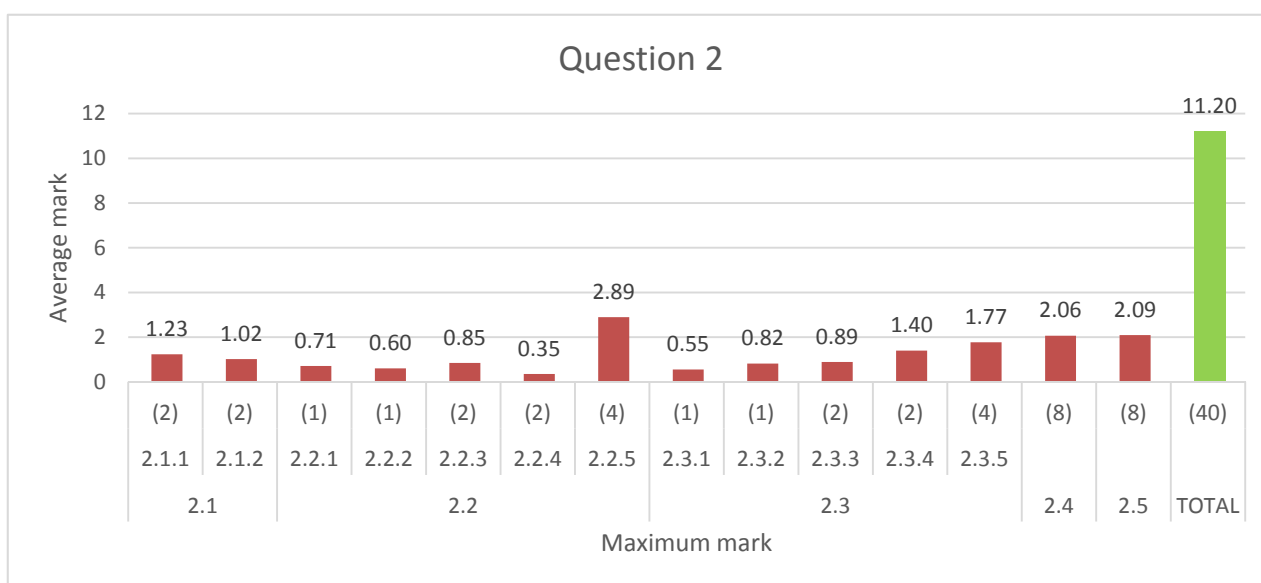
Teachers should train learners on how to approach multiple choice questions.

It is also advised that common tasks for all schools in a district, both formal and informal, be administered and moderated.

QUESTION 2- MICROECONOMICS

- (a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?

Average mark from the sample of 100 :		11,2
SUB-QUESTION	TOPIC OR ASPECT TESTED	AVERAGE % FROM SAMPLE
2.1	Micro economics	56,2
2.2	Micro economics- Perfect market	54
2.3	Micro economics- Market Failure- CBA	54,4
2.4	Micro economics- Market Failure- Consequences	25,8
2.5	Micro economics- Imperfect Market - Monopolistic	26,1



More than 60% of candidates answered this question. The performance in this question ranged from poor to fair. The average percentage for the question was 28%.

- (b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

There is a general challenge on the interpretation of graphs and market failure.

2.1.2. Candidates do not understand '**minimum** prices'. This means that they interpreted **minimum** as **low**, as a result their responses were on how people benefit from cheaper prices.

2.2.3. Candidates do not understand changes in the equilibrium position in the short run and long run.

2.2.4. Candidates answered the question by relating to general conditions, not applying the graph that was given.

2.2.5. In calculating the economic loss, most candidates gave the answer for economic loss per unit, not the total economic loss.

2.3.1. Candidates wrote any cost that is in the extract, they cannot identify **external** cost

2.3.5. Candidates could not explain the reasons for the cost –benefit analysis

2.4. Differentiate between <i>productive inefficiency</i> and <i>allocative inefficiency</i>.
Candidates were unable to answer this question- their responses were on public sector failure
2.5 How may differentiated products influence consumers and producers in a monopolistic competitive market?
Candidates responded by giving figures such as three or many. This indicates that they read the question as 'How many' instead of 'How may'

(c) Provide suggestions for improvement in relation to Teaching and Learning
Equal attention should be given to all topics in micro economics.
Involve learners in the lessons on graphs. Tell them the relevant information and let them draw graphs on their own so that they become part of the learning process. In this way they will be able to interpret them. Let learners understand the cost and revenue concepts and then to do calculation of costs and revenue. Create cost and revenue tables and then draw graphs from these tables. Learners need to be taught more about different graphical representations from all topics to avoid confusion.
Informal assessment should be given frequently to learners especially in areas where graphs are concerned.
Higher order questions that require application of the content to real life issues should be included in both informal and formal assessment to familiarise learners with such questions.

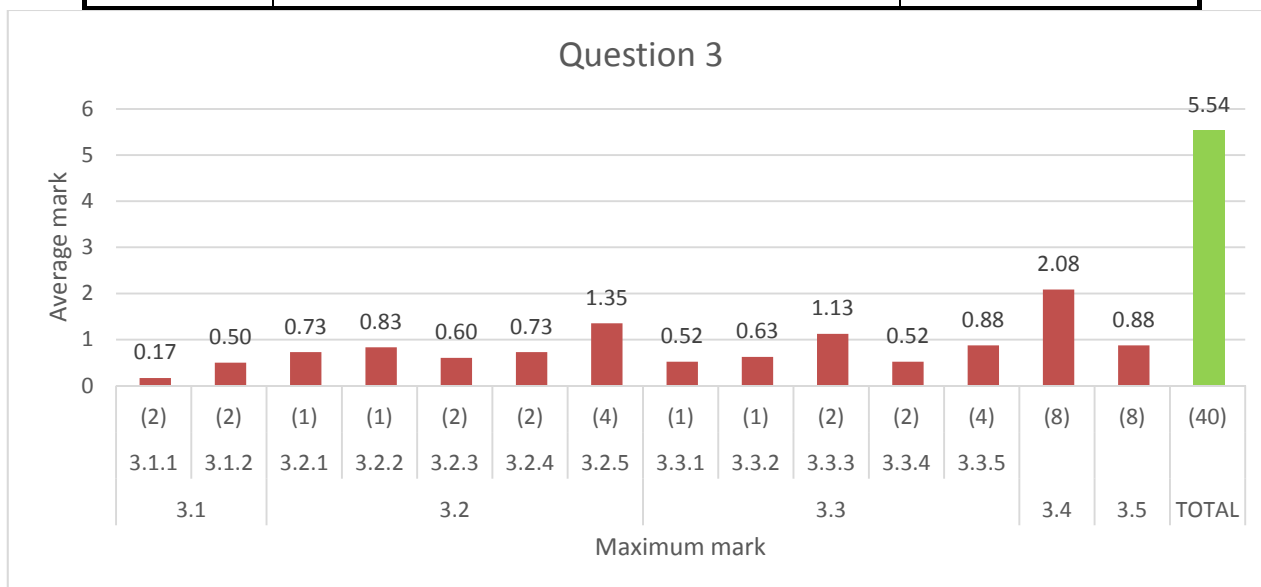
(d) Describe any other specific observations relating to responses of learners
Reading skills seem to be an additional challenge as some of the learners could not read the question 'How may' instead they read it as 'How many'.
Writing skills are also a challenge as some of the learners could not write full sentences even when the question requires that this be done

(e) Any other comments useful to teachers, subject advisors, teacher development etc.
Culture of teaching and learning has to be developed in all educational institutions.
Intervention of subject advisors through workshops addressing the problematic topics.
Sharing of information by markers in each district.
Social networks can improve communication and sharing of ideas.
Subject advisors should facilitate diagnostic report to educator.
Proper use of Mind the Gap study guides is encouraged.

QUESTION 3 - CONTEMPORARY ECONOMIC ISSUES

- (a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?

Average mark from the sample of 100 :		5.54
SUB-QUESTION	TOPIC OR ASPECT TESTED	AVERAGE % FROM SAMPLE
3.1	Contemporary Economic Issues	16%
3.2	Inflation	30,2%
3.3	Environmental Sustainability	36,8%
3.4	Environmental Sustainability	26%
3.5	Tourism	11%



Less than 50% of candidates answered this question. The performance in this question was poor. The average percentage for the question was 13,5%.

- (b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

There is a general lack of understanding and practical application of contemporary economic issues.

3.1.1. Candidates listed International agreements instead of Millennium Development Goals

3.1.2 Candidates read the question as 'How many', instead of 'How may', as a result they responded by giving figures

3.2.3 and 3.2.4 Some candidates took sentences directly from the extract – which showed a lack of understand of the question.

3.3.3 Candidates' responses on 'climate change' were shallow- they described climate change as daily changes in temperatures

3.3.4. There is a lack of understanding of environmentally friendly methods. Candidates responded by writing that businesses will run at a loss

3.4 Learners could not differentiate between preservation and conservation. Some learners read the concepts as 'conversation' and presentation' while others confused the concepts.

3.5. Candidates could not apply their knowledge of negative externalities, instead they listed them without indicating how their impact can be overcome.

(c) Provide suggestions for improvement in relation to Teaching and Learning

Enough time should be spent in teaching the Contemporary Economic Issues. It is advisable that the syllabus be completed as early as August so that there be enough time for revision.

Scenarios can be used to help learners in answering questions that require their own opinion and interpretation of concepts relating to the topic in question.

There should be more written work in the form of tests and informal assignments given to learners.

(d) Describe any other specific observations relating to responses of learners

Candidates do not give themselves time to read the question properly. They do not adhere to the instructions.

There is lack of general knowledge related to the topics.

(e) Any other comments useful to teachers, subject advisors, teacher development etc.

Subject advisors should be visible in schools to **support and monitor, and engage** teachers on a personal level. It should be ensured that teachers have all the relevant and current resources.

QUESTION 4- MICROECONOMICS AND CONTEMPORARY ECONOMIC ISSUES

(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?

Average mark from the sample of 100 :		16,29
SUB-QUESTION	TOPIC OR ASPECT TESTED	AVERAGE % FROM SAMPLE
4.1.1	Cont. Econ Issues-Tourism	
4.1.2	Microeconomics- Perfect market	
4.2	Microeconomics- Monopoly	
4.3	Cont. Econ Issues- Tourism	
4.4	Microeconomics- Perfect Market	
4.5	Cont. Econ. Issues- Environmental Sustainability	

(b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

4.1.2. A lack of understanding of the characteristics of perfect market. They responded by writing the characteristics of a perfect market, for example, free entry and exit

4.2.3. Candidates were unable to explain why the marginal revenue curve lies below the demand curve- their responses were 'marginal revenue is less than demand'.

4.2.4. A lack of the understanding of the characteristics of monopoly-

4.2.5. Candidates could not draw proper or correct curves. Some drew the MR curve of the perfect market, positioned the AC curve incorrectly and shaded any area as economic profit.

4.4. Candidates did not answer the question well- they linked it to the extract in 4.3 (in tourism). Some wrote that 'businesses come together and negotiate a common price.' This indicated that this topic is not given proper attention.

4.5. Candidates referred to producers instead of consumers.

(c) Provide suggestions for improvement in relation to Teaching and Learning

Memorisation of facts by learners without understanding should be discouraged.

Formal and informal assessments should include the drawing and analysis of graphs to give learners more practice to eventually improve performance in this area.

Various methods of teaching and learning should be used in the classroom, for example, visual presentation could help learners understand concepts with greater ease.

(d) Describe any other specific observations relating to responses of learners

Learners could not respond in full meaningful sentences and this resulted to them getting fewer marks.

Learners did not match their responses to the marks of the question, for example, they answered in one word whereas the question carried 2 marks.

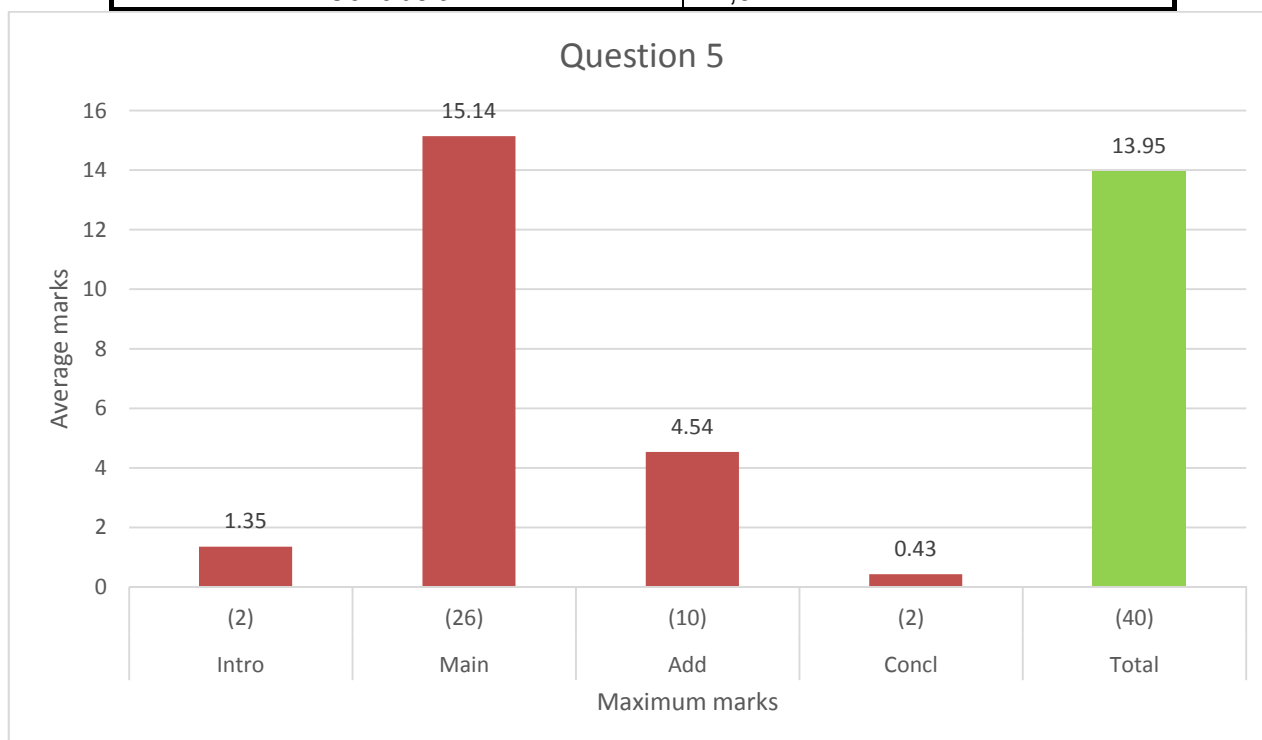
(e) Any other comments useful to teachers, subject advisors, teacher development etc.

Group or team teaching in clusters is encouraged as this could help in identifying and closing content gaps.

QUESTION 5 MICROECONOMICS

- (a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?

Average mark from the sample of 100 :	13,95
SUB-QUESTION	AVERAGE % FROM SAMPLE
Introduction	67,5%
Main part	58,2
Additional part	45,4
Conclusion	21,5



More than 60% of candidates answered this question. The performance in this question ranged from poor to fair. The average percentage for the question was 34.7%.

- (b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

Main part- learners were not able to explain the characteristics of the oligopoly. They only listed the characteristics of the oligopoly, sometimes in a tabular form. Poor sentence construction was evident in their responses. There was too much repetition of fact.

Additional part- the problem was in the interpretation of the graph as a result they lost marks.

Conclusion- this was a challenge, few candidates could write a conclusion of a higher order nature.

(c) Provide suggestions for improvement in relation to Teaching and Learning
Drilling of learners in essay writing is should be done. Encourage candidates to read and apply the instruction on the question paper on how an essay will be assessed. Teachers should make use of current Examination Guidelines for the appropriate subheading for each topic.
Essays questions should always be featured in informal assessment tasks to train learners.

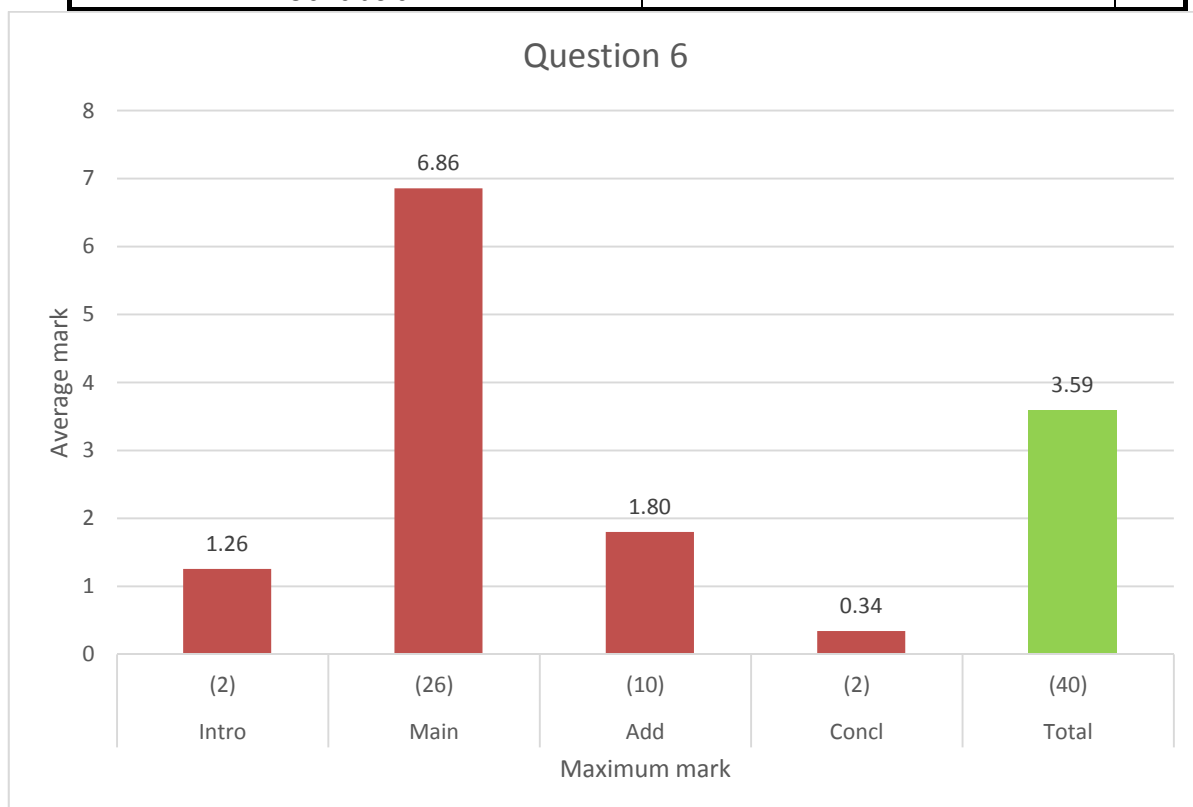
(d) Describe any other specific observations relating to responses of learners
Candidates were not able to write in full sentences, they listed characteristics without explanation.
Marks are normally allocated for the correct labeling of axes. Learners must ensure that particularly the vertical axis is correctly labeled in terms of price, cost and revenue/income.

(e) Any other comments useful to teachers, subject advisors, teacher development etc.
Subject advisors should assist teachers on how to approach certain topics.
Candidates must be taught to analyse questions so as to identify the emphasis of the question. This can be done using past examination papers. They need not physically do the papers but merely identify what response should entail.

QUESTION 6

- (a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?

Average mark from the sample of 100 :		3,59
SUB-QUESTION	AVERAGE % FROM SAMPLE	
Introduction	63%	
Main Part	26,6%	
Additional Part	18%	
Conclusion	17%	



Less than 40% of candidates answered this question. The performance in this question was poor. The average percentage for the question was 8,9%. This performance was fair below expectation.

(b) Why was the question poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.

Main part: This question was poorly answered because the majority of candidates responded by explaining causes of both demand-pull and cost push inflation. Some explained the characteristics of demand-pull inflation.

Additional part: Learners lack the understanding of monetary policy measures-

- They mentioned use of taxation in combating demand-pull inflation.
- They were not able to address the 'how successful' part of the question, instead they listed monetary policy instruments

Conclusion: This was a challenge, few candidates could write a conclusion of a higher order.

(c) Provide suggestions for improvement in relation to Teaching and Learning

Drilling of learners in essay writing is should be done. Encourage candidates to read and apply the instruction on the question paper on how an essay will be assessed.

Teachers should make use of current Examination Guidelines for the appropriate subheading for each topic.

Essays questions should always be featured in informal assessment tasks to train learners

(d) Describe any other specific observations relating to responses of learners

Learners could not write a full definition of inflation; they missed the key words for an appropriate response, for example, they wrote- inflation is a general rise (...) for a period of time. This shows that candidates do not read their work after writing

(e) Any other comments useful to teachers, subject advisors, teacher development etc.

Teachers who have been as markers should share information with other teachers.

Learners must be taught to analyse questions so as to identify the emphasis of the question. This can be done using past examination papers. They need not physically do the papers but merely identify what response should entail