



EXAMINATIONS AND ASSESSMENT CHIEF DIRECTORATE

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2019 NSC CHIEF MARKER'S REPORT

SUBJECT:	ECONOMICS
PAPER:	2
DURATION OF PAPER:	2 HOURS
DATES OF MARKING:	01 DECEMBER – 13 DECEMBER 2019

SECTION 1: (General overview of Learner Performance in the question paper as a whole)

The performance in the paper has dropped compared to 2018.				
OVERALL ACHIEVEMENT RATES IN ECONOMICS PAPER 2 FOR THE PAST TWO YEARS				
YEAR	No wrote	% not achieved (0-29%)	% achieved (30 – 39%)	% achieved (40% and above)
2018	17 289	40.1	23.9	36
2019	16 143	58.7	20.2	21.1

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	
(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?	
This is a compulsory question in the question paper consisting of three (3) sub questions. Performance in this question is good with candidates obtaining the highest marks in 1.2(MATCH COLUMN) and the least marks in 1.3 (ONE WORD)	
1.1	Multiple choice question Learners got good marks in the question. There are still learners who give more than one option and leave blank spaces.
1.2	Match Columns Most learners scored very good marks in this sub question.
1.3	One word Performance in this sub question shows a fair performance. There is however an improvement in learners responding to this sub question.

(b) Why the question was poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.	
1.1	Multiple Choice 1.1.6 Candidates could not differentiate what is addressed by the different international agreements. There are candidates giving two options, omitting question numbers, numbering incorrectly and writing over letters.
1.3.1	Candidates gave ' equilibrium' as an answer to the question which is regarded as a general statement.
1.3.5	Candidates wrote 'hyperinflation' as the answer instead of 'all inclusive inflation'
1.3.6	Candidates lost marks by giving 'permit' as an answer. Some wrote 'license'

(c) Provide suggestions for improvement in relation to Teaching and Learning	
<ul style="list-style-type: none">Candidates to ensure correct numbering of all sub questions and writing clearly. They should not write over incorrect answers, rather cancel and write	

<p>the correct letter or word.</p> <ul style="list-style-type: none"> Learners to be made aware that there will be no marks awarded for two options given (even if the first one is correct). This shows lack of in depth knowledge for the concept asked. Daily activities which incorporate Section A questions should be part of teaching and learning. Use of correct terminology for the subject to be emphasized as candidates lose marks with incomplete statements and concepts, for example, giving general statements like 'equilibrium and permit or license as responses for 1.3.1 and 1.3.6
QUESTION 2
<p>(a) General comment on the performance of learners in the specific question.</p> <p>Was the question well answered or poorly answered?</p>
The question was not a popular choice. Performance is very poor.
<p>(b) Why the question was poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.</p>
2.1.1 Candidates still cannot differentiate between fixed and variable costs as many gave mixed answers of both fixed and variable costs (water and electricity, wages). The use of wages and salaries as a single item in Accounting led to learners not getting full marks for this sub question as wages are regarded as variable costs.
2.1.2 A large number of candidates obtained a single mark for this sub question as they did not provide a full answer. The most popular response was ' large number of businesses'. They could not explain fully why those businesses are price takers.
2.2.1 Candidates gave tobacco and alcohol as examples of negative externalities which are incorrect.
2.2.3 A very poorly answered sub question. Most candidates incorrectly gave an incomplete answer which was not awarded marks as a concept. They described 'Social cost' as cost to society/ cost incurred by those who produce goods. Some candidates gave a description of negative externalities.
2.2.4 Some candidates explained lack of information to consumers, others gave general responses about not being able to employ workers.
2.2.5 Performance for this sub question was very poor. Candidates did not understand the meaning of socially optimal output. It is not a commonly used term. They confused the term with social welfare and gave benefits of social grants to the society instead.

2.3.1 Candidates could not differentiate between an Act and the institutions regulating the Competition Policy. Many gave Competition Commission as an answer.
2.3.2 and 2.3.3 Candidates are still confusing the role of the three institutions regulating competition, Competition Commission, Competition Tribunal and Competition Appeal Court.
2.3.4 Candidates lost marks by giving one word answers and not writing full sentences as required.
2.3.5 Candidates did not understand what a merger is and therefore failed to give correct responses to the question. Those who were attempted the subquestion managed to get half the marks as they could not give two full points on the question. A popular response to the question was an increase in profits.
2.4 Candidates lost marks in the question by confusing productive and allocative inefficiency. Some responded by drawing a graph which is not a requirement of the question and was not awarded marks.
2.5 A moderately performed answer given the fact that it was a higher order question requiring evaluation. Candidates still struggle to respond to questions which require them to evaluate by giving negatives and positives. Candidates gave characteristics of imperfect markets.
(c) Provide suggestions for improvement in relation to Teaching and Learning
<ul style="list-style-type: none"> • When dealing with concepts, emphasis must be made on differences, combinations and similarities between concepts to make it easier for learners to answer questions. • Descriptions and explanations in full sentences must be practised from earlier grades. Teaching of concepts should be inter-phased (GET – FET) • When dealing with examples, full explanations on what is accepted and not accepted must be emphasized. Research on the concept will enhance discussions. • Use of a variety of action verbs for higher order questions to be incorporated into daily activities in the classroom. • The role of the three institutions in regulating competition must be made clear during teaching. Educators should teach the Competition Act in detail and must emphasise the role of the different institutions in regulating competition. Investigations by the Competition Commission into anti-competitive behaviour by firms should be discussed. This can be researched by learners as a task and discussed in the class to expose learners to different examples.

QUESTION 3
(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?
A very popular question with candidates performing very well.
(b) Why the question was poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.
3.1.1 Candidates confused the reasons for growth in the tourism industry in South Africa with benefits of tourism. Some gave the effects as answers to the question
3.2.1 Most candidates were unable to interpret the data (graph) given which showed percentage change. They gave $151\% (10.3 - 4.1/4.1 \times 100)$ This showed that they were misled or did not understand that the figures were already a percentage.
3.2.3 Candidates failed to give a full description of ' business tourism '. They gave a description which repeats the concept. Most answered that, it is when people travel for business purposes
3.2.4 Candidates repeated the question in their responses. They wrote 'because it is easy to create jobs'
3.3.1 Most candidates could not give a correct answer to the question. Many gave South Africa, Egypt, Zimbabwe and India as an answer.
3.3.3 Candidates cannot describe biodiversity. Responses they gave are incomplete... as plants and animals/countries with different people/ living organisms
3.3.4 Candidates referred to gene transplants which is not what is being addressed by CITES
3.3.5 Candidates confuse environmental subsidies with penalties to reduce environmental damage. They also refer to subsidies given to producers to lower cost of production. They fail to link environmental subsidies to reducing environmental damage.
3.4 Candidates confused the benefits of tourism with the effects of tourism. Responses included 'government creating job opportunities', 'reduction of poverty', 'tourists spending money and businesses getting profits', 'tourism will bring foreign currency'
3.5 Candidates could not get full marks on the question as most repeated facts.
(c) Provide suggestions for improvement in relation to Teaching and Learning
<ul style="list-style-type: none"> Exposure to recent current issues of the day to help learners with application questions. Data response to be used such that they allow learners to be able to

apply content in context.
QUESTION 4
(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?
Performance in this question is good with most learners choosing it.
(b) Why the question was poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.
4.1.1 Some candidates gave types of public goods instead of the features of public goods
4.2.2 Candidates could not identify the price where the individual producer make an economic profit from the graph provided
4.2.3 Candidates failed to fully explain why MR in the perfect market the same as the demand curve. Responses included that $MR = AR = D$, MR is horizontal
4.3.1 Candidates could not name the type of tourism shown by the picture provided. Responses included outbound tourism, domestic tourism.
4.3.2 Department of Tourism was a popular answer given for an organization responsible for marketing tourism in South Africa
4.3.4 Candidates do not have a clue what SANParks are. They gave responses about the government creating job opportunities and economic growth.
4.4 Candidates confused minimum prices with maximum prices and or minimum wages. They struggled with correct labelling of the graph to indicate minimum prices. When explaining the impact, they failed to associate minimum prices with encouraging the producer to supply essential goods. Candidates are unable to draw and explain a graph and obtain full marks.
4.5 Candidates explained the importance of education in general and failed to associate it with ensuring environmental sustainability. They are also unable to argue whether it has been successful or not. Responses included 'education is a key to success', 'education helps people to get skills', 'education improves standard of living'
(c) Provide suggestions for improvement in relation to Teaching and Learning
<ul style="list-style-type: none"> • Use of previous question papers on graphs with data response questions where learners would master identifying key points and calculations in the graphs • When dealing with Contemporary Economic Issues, recent statistics and information must be used to keep abreast with changes in the economy.

QUESTION 5
(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?
Performance is very poor and the least answered question in Section C. This particular essay was not popular as learners continually avoid essays incorporating graphs.
(b) Why the question was poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.
<p>MAIN PART</p> <p>Candidates are still struggling with drawing of graphs.</p> <p>Some candidates had a graph of perfect competition.</p> <p>They do not label the graphs. Candidates lost marks for ignoring the technical aspects of the graphs(labelling, positioning and shape).</p> <p>They are unable to correctly indicate the profit maximization and loss minimizing points.</p> <p>They failed to show the price at which the monopolist would be selling its product, even those who were able to indicate the profit maximizing/ loss minimizing points.</p> <p>Correct indication of economic profit/ loss is a challenge for most of the learners. They shade any area.</p> <p>Cost and revenue curves are mixed and incorrectly labelled.</p> <p>The incorrect/ inability to draw graphs led to candidates losing marks in the explanations of the graph as they were explaining an incorrect graph.</p>
<p>ADDITIONAL PART</p> <p>Most candidates gave the characteristics of a monopoly. They could not explain what a natural monopoly is. The responses of the candidates showed a lack of in depth understanding of what is a natural monopoly and how they operate in the real world.</p>
<p>CONCLUSION</p> <p>Candidates are not able to give a higher order conclusion. They often repeat what they have already discussed in the main part or introduction.</p>
(c) Provide suggestions for improvement in relation to Teaching and Learning
<ul style="list-style-type: none"> When teaching the graphs on perfect and imperfect markets, learners should focus on the equilibrium position (point) of the firm (i.e. where $MR=MC$). Educators must emphasise that this point will determine the profit or loss position of a firm. This point can be regarded as the profit maximising point in

the case of economic profit, a break-even point in the case of normal profit, and a loss minimising point in the case of an economic loss. It would be misleading to learners to generalise $MC=MR$ as the profit maximising point only.

- Teachers are encouraged to get learners to practice the drawing of graphs and to assess their own accuracy in the labelling of curves.
- As practice, learners should be given graphs depicting the various concepts or equilibrium positions and be required to provide the explanation for the graph. This could be done as a specific task to improve their ability to interpret graphs

QUESTION 6
(a) General comment on the performance of learners in the specific question. Was the question well answered or poorly answered?
A popular question in Section C. Performance is moderate.
(b) Why the question was poorly answered? Also provide specific examples, indicate common errors committed by learners in this question, and any misconceptions.
INTRODUCTION Candidates were unable to describe/ define inflation / cost push inflation.
MAIN PART Although most candidates were able to list the causes of cost push inflation, they were unable to explain why those caused cost push inflation. Productivity is confused with production.
ADDITIONAL PART Candidates were unable to analyse the negative impact of administered prices on the economy. They responded by explaining how government is not consulting when setting administered price. Responses included consumers who will lose jobs due to administered prices.
(c) Provide suggestions for improvement in relation to Teaching and Learning
<ul style="list-style-type: none"> • All content should be completed in time so that there is time for revision. There is a tendency for educators to rush through the last few modules and not to spend as much time on contemporary economic topics. Planning should be properly done so that each topic is given adequate attention. • In the conclusion, learners should be taught how to structure a response in support of or against the facts mentioned in the main part.
(d) Describe any other specific observations relating to responses of learners and comments that are useful to teachers, subject advisors, teacher development etc.
<ul style="list-style-type: none"> • It is encouraged that learners first attempt to determine the correct answer to multiple-choice questions before considering the given options. • It must be emphasized throughout to learners that no marks will be awarded when they provide more than one answer to a short question. • It is important that candidates cancel an incorrect answer in Q1.1 and Q1.2 and write the correct one next to it, instead of writing over the incorrect answer.

<ul style="list-style-type: none"> Definitions and concepts should be emphasised. Making use of a glossary will help strengthen knowledge of these concepts. This should form the basis of teaching and learning in Economics.
<ul style="list-style-type: none"> Daily activities/ revision by means of short, regular formative tests on basic concepts is advised. Learners should be encouraged to make a list of the key concepts of each topic especially in Micro-economics.
<ul style="list-style-type: none"> Learners must be exposed to more evaluation-type questions and emphasis must be placed on the requirements of the cognitive verb, i.e. the positive and negative aspects.
<ul style="list-style-type: none"> Educators should focus consistently on the content and graphs in micro-economics from Grade 10 to Grade 12 to reinforce the various concepts covered. Emphasis on the different cost and revenue curves under the various market structures and the purpose and shape of the curves. Regular practice in the drawing of this, sets a sound foundation for the drawing of the various equilibrium positions encountered in Grade 12.
<ul style="list-style-type: none"> It should be explained to learners that graphs are middle-level type of questioning, which will be part of Q2.4, Q3.4 and Q4.4 of Microeconomics.
<ul style="list-style-type: none"> Daily activities should be used to provide practice in drawing graphs and to improve their understanding.
<ul style="list-style-type: none"> Educators must relate the different topics to the real world, where possible, to help learners prepare for higher-order questions. Learners must practice evaluating, assessing or critiquing issues or topics whenever possible.
<ul style="list-style-type: none"> Teacher Development/Provincial Planners/Subject advisers/must provide adequate support and materials that would help teachers to deal with challenging topics such as graphs. This should be done preferably in Term 1 to prepare for the teaching of graphs in Term 2.
<ul style="list-style-type: none"> Basic content should not only be covered, but also linked to the creativity of learners in the practical application of each topic.